

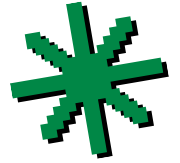
PAY DAY

Super



GUIDE FOR EMPLOYERS

BIG CHANGES TO SUPERANNUATION



Get your business ready for the biggest change to Australia's super system in decades...

From 1 July 2026, employers must pay their employees' super for each payday. This means increased super payments which, depending on payroll timing, could be monthly, fortnightly or weekly.

THE BENEFITS?

This reform will strengthen the retirement income of millions of Australian workers, with timely super payments. The ATO will be able to more effectively identify employers who are not doing the right thing by their employees.

THE IMPACT?

While this reform has positive long-term benefits, there are significant administrative & cashflow implications for businesses in the short-term that must be effectively managed.

This guide will help you navigate the process!

” **IMPORTANT**
ANNOUNCEMENT

A hand cursor icon pointing towards the word 'ANNOUNCEMENT'.

Paul Raze

SUMMARY OF CHANGES



PAY SUPER EACH PAYDAY

Employers must pay super for their employees at the same time as each payday cycle.



DEADLINES FOR SUPER PAYMENTS

Super payments must reach super funds within 7 business after each payday.



NEW METHOD OF CALCULATING SUPER

“Qualifying Earnings” or QE becomes the new framework for calculating total contributions.



‘SMALL BUSINESS CLEARING HOUSE’ CLOSURE

All businesses need to switch to a new system before the ATO closes this facility at the end of June.



REPORTING REQUIREMENTS

Employers will report both QE and super liability amounts through Single Touch Payroll.



LATE PAYMENTS & PENALTIES

Employers who don’t pay the right amount, on time, or to the correct fund, may need to pay the super guarantee charge (SGC).

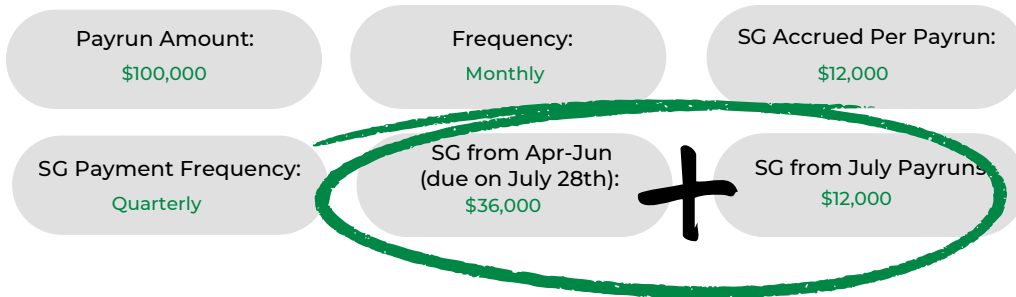


CASHFLOW CALCULATOR

Many businesses will experience a peak in outgoing cashflow requirements in the first month of the PayDay Super changeover.

Eg. any super from the quarter of April-June is payable in July, as well as any SG (super guarantee) due from payruns that month.

Example SG cash outflow for July:



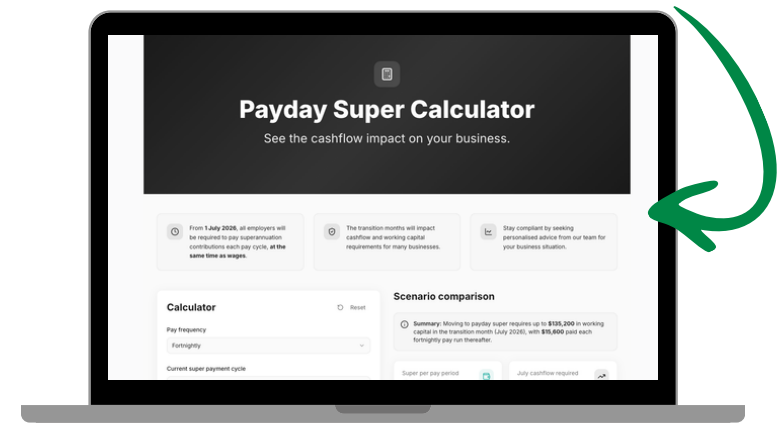
You'll need to have more cash on hand for SG payments during the month of July, and also for the SG payments due each thereafter.

Essentially, there's no "recovery time" between payment cycles, so you need to plan for consistent cash reserves.

The ATO have warned that non-compliance will be flagged, with SGC (super guarantee charge) penalties.

Do whatever you can to get the first SG payment submitted on time and set yourself up for success.

TRY THIS [ONLINE CALCULATOR](#) TO SEE HOW PAYDAY SUPER AFFECTS YOUR BUSINESS CASHFLOW IN JULY!



HELPFUL RESOURCES



Payday Super
Key changes to super guarantee

What is Payday Super?
Payday Super is a change to how you calculate and when you pay your employees' super guarantee. From 1 July 2020 employers will need to pay employees their super guarantee on payday, at the same time as their salary and wages.

Super guarantee is:

- calculated as 12% of qualifying earnings (QE), which is a new term that brings together ordinary time earnings (OTE) and other payments
- paid to an employer's super fund on payday and received by the super fund within 7 business days (unless an extended timeframe applies, such as for new employees)

What employers need to do

- Check what is changing in the following table
- Plan ahead: Review your payroll systems, super guarantee processes and get ready to pay super guarantee more frequently
- Stay informed: Visit ato.gov.au/payday-super or speak to your tax professional for advice

What is changing

Topic	Now	Changes from 1 July 2020
Super guarantee payments	Must be received by a super fund within 28 days of the end of the quarter, but can be paid quarterly or more frequently e.g. monthly.	Must be received by a super fund within 7 business days of payday, at the same time as paying qualifying earnings (QE), or earlier, and received by the super fund within 7 business days.
Super guarantee contribution due date	28 October 28 January 28 April 28 July	Due within 7 business days of payday. Some exceptions may apply including for new employees.

PAYDAY SUPER OVERVIEW

Summary of key changes to the SG process

Payday Super
Explaining qualifying earnings

What are qualifying earnings?
Qualifying earnings are the types of payments made to employees that are used to calculate the super guarantee (SG) under Payday Super.

Qualifying earnings (QE) include:

- ordinary time earnings (OTE), i.e. payments for ordinary hours of work, including certain types of paid leave, allowances, bonuses and lump sum payments (find out what payments are considered OTE at ato.gov.au/sg/qe)
- all commissions paid to an employee
- salary sacrifice amounts that would qualify as QE had they not been sacrificed to superannuation
- earnings paid to workers who fall under the expanded definition of employee, including payments to independent contractors paid mainly for their labour

What does QE mean for employers

From 1 July 2020 all employers will use qualifying earnings (QE) as the base to calculate both the SG amount and the super guarantee charge (SGC). Currently employers calculate SG and SGC on different earnings bases.

Most employees are eligible for SG. Independent contractors paid mainly for their labour are considered employees for SG purposes. You can confirm eligibility at ato.gov.au/sg/qe.

For many employers, the new concept of qualifying earnings doesn't change the amount of SG you are currently paying for your employees.

How to calculate, pay and report SG

Before 1 July 2020	From 1 July 2020
Calculate SG as 12% of eligible employer ordinary time earnings	Calculate SG as 12% of eligible employer qualifying earnings
Pay super at least once a quarter	Pay super at the same time as qualifying earnings (on pay day)
Report OTE or super liability in STP (or both)	Report both QE and super liability in STP

QUALIFYING EARNINGS GUIDE

Calculating and reporting "Qualifying Earnings"

How to transition from the Small Business Superannuation Clearing House

The Small Business Superannuation Clearing House (SBCH) closes permanently on 1 July 2020. You won't be able to log in to the SBCH to submit instructions or view records after 11:59 pm AEST on 30 June 2020.

Use this checklist to help you leave the SBCH before it closes.

You should allow sufficient time to download your super records and transition to an alternative provider if you pay super quarterly, we recommend your super payment for the January-March quarter (due 28 April 2020) be the last payment you make through the SBCH. After this payment, download your records and use an alternative option.

The April-June quarter payment (due 28 July 2020) cannot be made using the SBCH after 30 June 2020. You don't have to wait until 1 July to get ready - you can start now.

February-March 2020: Get ready

- Choose an alternative provider to the SBCH:
 - Check your existing payroll software - it may already have super payment functions.
 - Check other payroll software or providers. See the [SuperStream Product Register](http://ato.gov.au/payday-super).
 - Find a commercial clearing house or super fund that provides payment options. This might include your default super fund.
- Get advice if you need it. Talk with your tax professional if you're unsure about the best timing for your business to transition, or how your pay super going forward.

April 2020: Make your final SBCH payment

- Plan to use the SBCH for the last time for the January-March quarter super payments, which are due on 28 April. This will enable a smooth transition to your new provider.

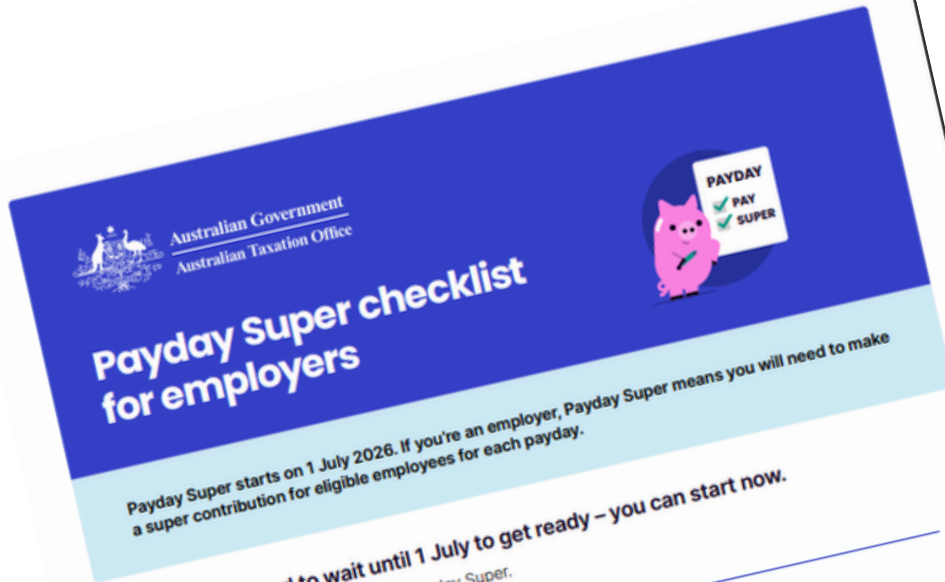
TRANSITIONING THE SBCH

Moving your super processing from the small business clearing house

Payroll software providers

Product	Website	Integration
Ally Payroll	Ally Payroll	Integrated data and payment clearing solution
ADP Workforce Now	ADP Workforce Now	Data File Only
ADP	ADP	Data File Only
ADP Workforce Now	ADP Workforce Now	Integrated data and payment clearing solution
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PAYDAY PLANNING CHECKLIST



You don't need to wait until 1 July to get ready – you can start now.
Use this checklist to get ready for Payday Super.

Now

Understand the new requirements
 Check the changes. Payday Super starts 1 July. Understand what this means for your business by visiting ato.gov.au/paydaysuper or watching our [Payday Super video](#) on the key changes.

February–March 2026

Plan your transition

- Set a start date.** You need to make a super contribution for eligible employees for each payday from 1 July.
- Get advice if you need it.** Talk to your tax professional if you're unsure about the best timing for your business to transition, or how you'll pay super going forward.

Prepare your business

- Review cash flow.** Update your business process so that you can pay super with each pay cycle. Our [Cash Flow Kit](#) has tools and resources to help you successfully manage cash flow.
- Review payroll governance and business processes:**
 - Check you have up-to-date super fund details for all eligible employees. Check this information is correct (such as member account numbers and unique superannuation identifiers) to prevent any errors.
 - Review and correct error messages you receive from super funds. Any payments you currently make that receive a warning or information message could be rejected after 1 July 2026, causing a late payment.

April–June 2026

- Lock in your plans**
 - **Confirm when your software will be ready.** Contact your digital service or payroll provider to find out.
 - If you use a clearing house or super fund portal, check if they are ready and if you need to make





LET'S TALK SUPER...

Some businesses will sail through this new process while others will need additional support and guidance during this time – it all depends on your starting position.

The ATO has stated that employers who try to do the right thing and resolve any issues quickly won't be the focus of compliance actions in the first year of Payday Super.

So regardless of your current situation, it's important to make these changes a priority in your business.



1-1 CONSULTATION

For personalised advice specific to your situation, book in for a consultation with our friendly team – we're here to help make this process as seamless as possible.

admin@thinkaccountants.net.au

The information in this guide is general in nature and may not reflect your business requirements.

