Payday Super FAQs for Small Business Clients

EnVision PARTNERS
Business Consultants and Accountants

From 1 July 2026, the way employers pay super is changing. These FAQs explain what Payday Super means for your business, what's different, and what you need to do to get ready.

The Basics

1. When does Payday Super start?

1 July 2026. From that date, employers must pay super at the same time as salary and wages. You can start paying more frequently before then to help your business adjust, but it's not compulsory until July.

2. What exactly is changing?

Most businesses currently pay super quarterly. Under Payday Super, you'll need to pay super every time you pay your employees. Weekly pay means weekly super. Fortnightly means fortnightly. Monthly means monthly. The amount doesn't change — just the timing.

3. What's the deadline?

It's not enough to just send the money on payday. The super must land in your employee's fund within 7 business days of payday. That's a big shift from the current system, where you have until 28 days after the end of the quarter.

4. Does this apply to all employers?

Yes — every employer in Australia, regardless of size. That includes sole traders with just one employee. There's no small business exemption.

5. What counts as "payday"?

It's the day you actually pay an employee their salary or wages. The legislation calls it the "Qualifying Earnings day." Every payday triggers a super obligation.

6. I already pay super monthly. Do I still need to change anything?

Possibly. If you pay staff fortnightly but only pay super monthly, you'll need to align super with each pay run. The rules require super to be paid on payday and received by the fund within 7 business days — not just by month-end.

ATO Clearing House (SBSCH)

7. Can I keep using the ATO's free clearing house?

No. The Small Business Superannuation Clearing House (SBSCH) is closing permanently on 1 July 2026. It was built for quarterly processing and can't handle the speed Payday Super requires. Access ends at 11:59 pm on 30 June 2026.

8. What do I need to do if I use the SBSCH?

Switch to a commercial clearing house or payroll software that can process super each pay run. Before the SBSCH closes, make sure you download all your historical records and employee data — once it shuts down, that information is gone for good.

9. What are my alternatives?

Most payroll platforms (Xero, MYOB, QuickBooks, Employment Hero, and others) now have built-in super payment features that handle calculation, submission, and tracking. Standalone commercial clearing houses are also an option. Not sure what's right for your business? Have a chat with us and we'll help you work it out before the deadline.

Calculations & Qualifying Earnings

10. What are "Qualifying Earnings"?

Currently, super is calculated on "Ordinary Time Earnings" (OTE). Under Payday Super, this changes to "Qualifying Earnings" (QE). For most businesses, QE works much the same as OTE. The main difference is that salary sacrifice amounts are now explicitly included — so salary sacrifice can't be used to reduce your super guarantee obligation. If your employees are on straightforward pay arrangements, you're unlikely to notice a difference.

11. Will I end up paying more super?

In most cases, no. The super rate itself doesn't change. But if you have employees on salary sacrifice, complex pay structures, or earnings close to the maximum contribution base, the calculation changes may affect what you owe. The biggest shift for most businesses won't be how much you pay — it's when the money leaves your account. If you're unsure, we can take a look at your payroll and check.

Penalties & Compliance

12. What happens if super is paid late?

If the money doesn't reach the employee's fund within 7 business days of payday, you may cop the Superannuation Guarantee Charge (SGC). That includes the unpaid amount, daily compounding interest, and an administrative uplift penalty of up to 60%. The new SGC is expected to be tax-deductible — but penalties for paying the SGC itself late are not.

13. What if the delay is the bank's fault, not mine?

Doesn't matter — you're still on the hook. The law cares about when the fund receives the money, not when you sent it. Bank transfers can take up to three business days, and clearing houses may add more on top. So you should be initiating payment on payday, not a few days later, to give yourself enough room within the 7-day window.

14. Will the ATO come down hard from day one?

They've said they'll take a "measured approach" in the first 12 months. In practice, that means they'll go easier on businesses that are genuinely trying to get it right — updated systems, payments going out on time, issues being fixed quickly. But it's not a free pass. If you're ignoring the rules or repeatedly missing deadlines, expect enforcement action from the start.

15. What if I make a genuine mistake on one pay run?

If you pick it up quickly, lodge a voluntary disclosure with the ATO, and pay what's owed, the uplift penalty may be reduced. A clean compliance history helps. This is one of the big reasons to use automated systems and keep solid records — you want to spot problems before the ATO does.

Cash Flow & Planning

16. How will this affect my cash flow?

Right now, you might be sitting on two or three months' worth of super before it's due. Under Payday Super, that money leaves your account every pay cycle. For some businesses, that could mean tens of thousands of dollars that's no longer available as a buffer. You won't be paying more overall — but you'll need the cash on hand much sooner. We'd strongly recommend modelling the impact for your business sooner rather than later.

17. I'm a seasonal business. How do I manage super during the quiet months?

This is one of the trickiest parts of Payday Super for businesses with ups and downs in revenue. You'll need to put money aside during the busy periods to cover super when things slow down. A dedicated cash reserve for super, or adjusting your invoicing and collection cycles, can help smooth things out. Talk to us about building a cash flow forecast that works around your seasonal pattern.

Payroll & Systems

18. What if an employee's super fund rejects a payment?

You're still responsible for meeting the 7-day deadline. If a payment bounces — wrong fund details, closed account, processing error — you need to sort it out and resubmit as fast as possible. This is why it's so important to keep employee super fund details up to date. Check them during onboarding, and ask staff to let you know straight away if anything changes.

19. I use a bookkeeper or external payroll provider. Is this their problem or mine?

The legal obligation sits with you as the employer. If someone else handles your payroll, you need to make sure they understand the new rules and that their systems can meet the 7-day deadline. Have a conversation with them now about how they're planning to handle Payday Super — and get clear on who's responsible for what. If something goes wrong, the ATO will be looking at you, not your bookkeeper.

Contractors & Special Cases

20. Does Payday Super apply to contractors?

It can. If a contractor is paid mainly for their labour, they're generally treated as an employee for super purposes. If you're already paying super for a contractor, you'll need to meet the same 7-day deadline as you would for any other employee. Not sure whether your contractors are caught by this? Worth checking now rather than after the deadline — we can help you work it out.

21. What about directors who take a salary?

Yes — working directors who are paid a salary or director's fees are generally entitled to super. Under Payday Super, their contributions need to be paid on the same basis as everyone else: within 7 business days of payday.

Getting Ready

22. What should I be doing now?

Five things. First, check your payroll software can handle super with every pay run — talk to your provider to confirm. Second, if you use the SBSCH, start moving to a new clearing house or integrated payroll solution now. Third, model your cash flow so you understand how more frequent super payments will hit your business. Fourth, make sure all your employee super fund details are up to date and correct. And fifth, talk to your accountant sooner rather than later — the earlier you start, the smoother the transition.

23. Do I need to speak to my accountant?

Yes. Payday Super affects your payroll, your cash flow, your systems, and your compliance obligations. It's not a single change — it's a shift in how your business operates. Getting advice now gives you time to prepare properly and avoid expensive mistakes down the track.

If you've got questions about how Payday Super will affect your business, get in touch with our team. A quick conversation now can save you a lot of time, money, and stress later on.