Rest

Payday Super: your simple guide to the new proposed rules

December 2024

At the moment, Super Guarantee (SG) contributions are required to be paid quarterly into your employees' super accounts.

From 1 July 2026, it is proposed you must pay your employees' super on payday – whether it's weekly, fortnightly, or monthly.

'**Payday**' is the date that an employer pays Ordinary Time Earnings (OTE) - your SG should appear in your employees' super accounts within 7 calendar days of their payday.

If your business already pays super with salary and wages, you might not need to make any changes.

Are there any exceptions to the new Payday Super rules?

- **Yes.** For new employees, SG payment is due on the next payday after their first two weeks on the job.
- **Yes.** Small or irregular payments outside the pay cycle will be added to the next regular payday.

Why has the government made the changes?

Both businesses and employees will benefit from changes to the law.

Here's how:

For Employees

The proposed laws will make it fairer for more workers because it will reduce the chance of non-payment and underpayment.

- More frequent super contributions may help increase retirement savings
- It will be easier for employees to track the super contributions you make – this is especially important for low-income workers and those relying on insecure work, many of whom are women

Government analysis found that under the proposed new rules, a 25-year-old worker on the median income who currently receives their super quarterly and wages fortnightly could be about $6,000 or 1.5% better off when they retire[1].

- **SuperStream updates.** The deadline for super funds to allocate or return contributions will be reduced to 3 business days, down from 20. The SuperStream data and payment standards will be revised to allow payments made via the New Payments Platform and improve error messaging to ensure employers and intermediaries can quickly fix mistakes.
- **STP updates.** You'll be required to report both the OTE and the total super liability for an employee in Single Touch Payroll (STP), ensuring the SG can be correctly identified.

For Employers

Payday super could make it simpler to meet your super obligations by:

- lowering the chance of you missing super payments
- reducing your payroll liabilities
- making your payroll system more streamlined and manageable
- avoiding the Super Guarantee Charge (SGC) for unpaid super

If you would like to speak with someone about having Rest as your default fund to keep up to date with this topic, click the link to register your details. We'll be in touch: **rest.com.au/employer/what-rest-offers/talk-to-us**

Things employers will need to consider:

1. **Cashflow** - With potentially more frequent SG payments required, employers will need to manage their cashflow to meet this requirement.
2. **Systems and Processes** - Employers may need to review their contribution processes and consider ways to be more efficient.
3. **Understand the new environment** - Tighter regulations mean employers will need to educate themselves to ensure they're meeting their obligations.

The SGC Breakdown

The Australian Taxation Office (ATO) will have extra resources to detect unpaid super cases sooner, and they'll likely act faster when an unpaid super complaint is lodged.

- Employers who don't pay contributions in full and on time are liable for the SGC.
- The SGC will include unpaid super, based on OTE, at the time of assessment.
- Late contributions paid before the SGC assessment will reduce the outstanding SG shortfall.
- Interest will be added to your SGC: this will put employees in the same position they would have been had they got your payment in full and on time.
- Admin charges will be added to reflect the cost of enforcing the new law.
- If you don't pay the SGC on time, you may incur extra interest and penalties.
- The SGC is tax-deductible in the same way that paying on time is – that's to keep the income tax outcome consistent for paid super, late or not.

It's the right thing to do

While most employers do the right thing, the ATO estimates more than 500,000 cases of underpayment and over 200,000 cases of non-payment in the 2022 financial year, amounting to over $3 billion in lost retirement savings[2].

What else should I know about?

- **The Small Business Superannuation Clearing House (SBSCH)** will be shut down from 1 July 2026. The recent, rapid improvement in cost-effective, higher quality payroll software means more timely and accurate payment options are now available. The government will advise small businesses ahead of time to help the change-over to a commercial alternative that is fit-for-purpose for Payday Super[3].
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Tip

Consider shifting to payday super ahead of time. It's up to you, but it could help you get ahead of these regulatory changes before they come into effect.

Did you know?

Rest Members can see their transaction history using the Rest App or in their online account via Member Access. You can do the same via your Rest Employer portal.

Learn more about super-related responsibilities as an employer. Scan the QR code with your smartphone camera to stay up to date.

[1] https://ministers.treasury.gov.au/ministers/stephen-jones-2022/media-releases/introducing-payday-super
[2] https://www.superannuation.asn.au/media-release/payday-super-a-game-changer-for-fairness-and-transparency/
[3] https://www.ato.gov.au/about-ato/new-legislation/in-detail/superannuation/payday-superannuation

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