


CBUS

# How to:
# Get ready for Payday Super

**From 1 July 2026, you'll pay super differently. Discover what's changing, why it's good for you and your employees and how to prepare.**

This guide explains:

- Payday Super and how it affects payroll
- A step-by-step plan to prepare
- Key areas to focus on

## Payday Super is good for you and your employees

### For you




Streamlined payroll processes by aligning super payments with regular payroll cycles.



Keep track of payments more easily, reducing the risk of penalties.

### For your employees




Better visibility of super and retirement savings



Super is invested sooner and may grow faster

## Payday Super in 60 seconds

- **From 1 July 2026**, super must be paid at the same time as salary and wages.
- Super funds must receive **both contribution data and payment** within **7 business days of payday**, or within **20 business days** for new employees or employees who have recommenced employment or changed super funds.
- **Updated penalties and charges:** Employers who miss, underpay or make late super contributions after 1 July 2026 will face new penalties and charges, (including the Superannuation Guarantee Charge).
- The **Small Business Superannuation Clearing House (SBSCH) will close from 1 July 2026.** Now is a great time to join Cbus as a participating employer and benefit from our free clearing house service.

Find out more about our free clearing house and payment options at **cbussuper.com.au/employers/payment-options**

# Key changes for employers




## More frequent SG payments

Aligned to pay cycles, instead of monthly or quarterly payments.

Payday Super will override any timing provisions in EBAs that allow quarterly or delayed super payments.




## QE is the new OTE

Qualifying earnings (QE) will be the new amount used to work out SG. It includes Ordinary Time Earnings, salary sacrifice and other amounts that qualify as wages/salary.

For most employers, **QE won't change the amount of SG** you currently pay.

Visit **ato.gov.au/paydaysuper** to see what payments are qualifying earnings.




## New payment deadlines

Within 7 business days for ongoing employees, or 20 business days when onboarding new employees or employees who have recommenced employment or changed their super fund.

Faster exception handling – if contributions are rejected by the super fund, you'll need to resolve issues quickly, ensuring the contribution is received by the fund within the same 7 business day window to avoid penalty.

# Payday Super will change your payroll process

| Now | From 1 July 2026 |
|---|---|
| 1. Run payroll and finalise wages. | 1. Run payroll and finalise wages – no change here. |
| 2. Calculate SG using 'ordinary time earnings'. Accrue for monthly or quarterly payment, subject to the maximum super contributions base. | 2. Calculate SG using 'qualifiying earnings'. Pay SG each payday until maximum super contributions base is reached, after which SG is no longer payable for the rest of the financial year. |
| 3. Create SuperStream batch file for upload. | 3. Submit SuperStream payment + data via clearing house/fund immediately – super fund must receive SG payments within 7 business days. |
| 4. Pay via clearing house/fund. | |
| 5. Reconcile receipts and fix rejects. | 4. Resolve errors fast. Super funds must return any contributions which are unable to be allocated within 3 business days. The new Superannuation Guarantee Charge applies to employers who do not make on-time and in-full super contributions. |



# What happens if you miss, underpay or make late payments?

**Updated penalties and charges (including the Superannuation Guarantee Charge) will apply from 1 July 2026 for missed, late or underpaid super contributions. These include late payment penalties, interest on shortfalls and additional penalties for repeat offenders.**

The ATO has published guidance on its proposed approach to enforcement for the 12-month period following 1 July. Visit ato.gov.au and search for **Practical Compliance Guide 2026/1**.

Importantly, the ATO does not have discretion about when the Payday Super reforms apply to employers. If the ATO receives definitive information that an employer has an SG shortfall, the ATO is required to apply the law to the employer.

| Individual SG shortfall | Notional earnings | Administrative uplift | General interest charge | SG charge late payment penalty |
|---|---|---|---|---|
| Remaining SG after accounting for late contributions (calculations based on QE). | Daily compounding interest from day after due date. | Additional charge of up to 60% of the shortfall. | Daily compounding interest after assessment until payment. | 25%-50% penalty if assessed SG charge is not paid off within 28 days. |

Learn more about ATO penalties at ato.gov.au/paydaysuper

# What you need to do between now and 1 July 2026

| Plan | Prepare | Implement |
|---|---|---|
| Map pay cycles and super payment processes. Align payments with QE definitions. | Pilot payday-aligned payments. | Train teams + backups. |
| If using Single Touch Payroll (STP), confirm digital service providers are prepared for upgrades to the SuperStream standard. | Review rejections and error messages and fix root causes. | Run parallel test payday payrolls alongside 'messy' runs (e.g. bonus payments). |
| Nominate process owners, delegations and escalation points. | Update and embed payroll and super payment policies (calendar of cut-off dates, delegations and error resolution and escalation points). | Document final process approval, records and reporting. |

# Avoid these Payday Super traps



## #1 Contractors assumed to be exempt, with super not paid when it should be

A commercial builder engaged subcontractors paid daily rates for on-site labour. Because they issued invoices, the builder assumed no super applied. Payday Super data exposed that many were paid mainly for labour and worked under supervision.

**Lesson:** In construction, many contractors are employees for super purposes. Payday Super makes these errors visible immediately. Employers must assess labour-only arrangements carefully and cannot rely on ABNs or invoices to avoid super obligations.

## #2 Allowances incorrectly excluded from super, resulting in new compounding penalties

A civil construction firm paid travel, site and tool allowances but excluded them from super calculations. Weekly Payday Super payments magnified the shortfall and triggered remediation costs.

**Lesson:** Construction awards contain multiple allowances that may be QE. Small weekly errors quickly compound under Payday Super. Employers must map award payments correctly in payroll systems and review them regularly.

## #3 Labour hire responsibility outsourced, leading to missed super payments

A head contractor relied on labour hire firms to manage super compliance. When workers moved between sites mid pay cycle, super payments were missed or delayed.

**Lesson:** Payday Super increases transparency across labour hire chains. While agencies may process payroll, principal contractors still face commercial, reputational and contractual risk. Employers should verify compliance, set clear responsibilities and audit labour hire arrangements.

## #4 Cash flow constraints led to late super and penalties

A small builder prioritised supplier payments and paid super for existing employees more than 7 days after wages to manage cash flow. Under Payday Super, even short delays result in non-compliance and SGC exposure with penalties immediately accruing.

**Lesson:** Payday Super removes flexibility around timing. Employers must treat super like wages and ensure funds are available each pay cycle. Poor cash flow planning is no longer an excuse and creates immediate compliance risk.


Locked Bag 5056
PARRAMATTA NSW 2124
**cbussuper.com.au/message**

**1300 361 784**
8am to 8pm (AEST/AEDT)
Monday to Friday

Chat in person in Adelaide, Brisbane, Melbourne, Perth and Sydney. Locations: **cbussuper.com.au/contact**
Log in to chat to us online: **cbussuper.com.au/login**



This information is of a general nature only. It does not account for your specific needs or your personal circumstances. The information is current as at the date of publication and is based on our understanding of the laws at February 2026. Please consider your financial position, objectives and requirements before making financial decisions. Read the relevant Product Disclosure Statement (PDS) and Target Market Determination to decide if Cbus Super is right for you. Call 1300 361 784 or visit cbussuper.com.au.
United Super Pty Ltd ABN 46 006 261 623 AFSL 233792 as Trustee for the Construction and Building Unions Superannuation Fund ABN 75 493 363 262 (Cbus and/or Cbus Super)



1589.0 02-26 ISS1

# Payday Super checklist

## Payroll & systems

### Check your payroll software

- Does it support super payments every pay cycle?
- Does your software allow for small or irregular out-of-cycle payments to be easily added to the next regular pay cycle?
- Have you tested all pay frequencies (weekly/fortnightly/monthly)?

### Talk to your payroll provider

- Confirm your payroll software is ready for Payday Super and wages and super payments are aligned.

**Tip:** Switching over a few months ahead of 1 July can help you spot and fix payroll issues sooner.

## Data quality

### Review employee super details

- Are all employee details (full name, date of birth, tax file number, if provided and super fund details) up to date?
- Do you need to confirm any information with employees ahead of 1 July?
- Do your super reports match your payroll records? You may need to update records for employees who have changed funds or supplied new complying fund details.

### Clean and validate your data

- Are all SuperStream data points complete?
- Does your process include checks to catch errors early?
- Can you easily update your data files?

### Test your systems

- Run parallel tests of your current and Payday Super payrolls before 1 July 2026.

**Tip:** Use complex ('messy') payrolls with allowances, bonuses and overtime to uncover hidden issues.

## Super payments & timing

### Check your calculations

- Is super correctly calculated for QE definitions to include OTE, salary sacrifice and other payments?
- Do your formulas match the latest QE definitions?

### Plan your payment process

- Can super be paid on or before payday?
- Does your clearing house support frequent payments?
- Confirm cut-off times and adjust your payroll cycle if needed.
- Do you use the ATO's Small Business Superannuation Clearing House? You'll need a new clearing house provider. CBUS offers a free clearing house to participating employers.

### Choose payment methods to optimise fast payments and error handling

- Is your direct debit clearance fast enough? Would direct credit be quicker?
- Can you make contributions on payday to allow sufficient time for corrections?

## Cashflow & finance

### Assess your cashflow

- Can you meet Payday Super obligations without impacting other expenses?
- Are you prepared for any increased costs from non-compliance (e.g. fines and penalties)?
- Model the cash impact of Payday Super early. With advice from payroll or finance experts, you can improve debtor processes, secure funding if needed, and avoid last minute issues or penalties.

### Review and adjust processes

- Update finance, HR and payroll workflows as needed.

## Error handling & controls

### Prevent and manage errors

- Do you have controls to avoid late or missed payments?
- What's your payroll provider's process for failed super payments?
- Set up internal audits to catch and fix errors quickly.
- Involve external providers (e.g. accountants and platform providers) to help resolve issues early.

## Compliance, governance & reporting

### Update your policies

- Are your payroll policies current for Payday Super?
- Update onboarding processes to capture super choice early and verify employee data.
- Apply the Superannuation Guarantee Maximum Contribution Base based on the new rules.

### Prove compliance

- Review how you record, report and demonstrate compliance with Payday SG contributions.

## Training & communications

### Clarify roles and responsibilities

- Review your payroll, finance and HR teams.
- Define clear roles, escalation points, responsibilities and timeframes.

### Prepare for change

- Develop a go-live and change plan, including key contacts and resolution timeframes.

### Communicate with employees and leadership

- Let employees know super will be paid at the same time as wages.
- Update intranet content about super payments.
- Prepare an executive briefing on Payday Super, new penalties and risk mitigation.



**Celebrate your progress! Each step you complete brings your business closer to Payday Super readiness.**

This information is of a general nature only. It does not account for your specific needs or your personal circumstances. The information is current as at the date of publication and is based on our understanding of the laws at February 2026. Please consider your financial position, objectives and requirements before making financial decisions. Read the relevant Product Disclosure Statement (PDS) and Target Market Determination to decide if Cbus Super is right for you. Call 1300 361 784 or visit cbussuper.com.au.
United Super Pty Ltd ABN 46 006 261 623 AFSL 233792 as Trustee for the Construction and Building Unions Superannuation Fund ABN 75 493 363 262 (Cbus and/or Cbus Super)

15890 02-26 ISS1