



Expert Arm

AUSTRALIAN EMPLOYER GUIDE

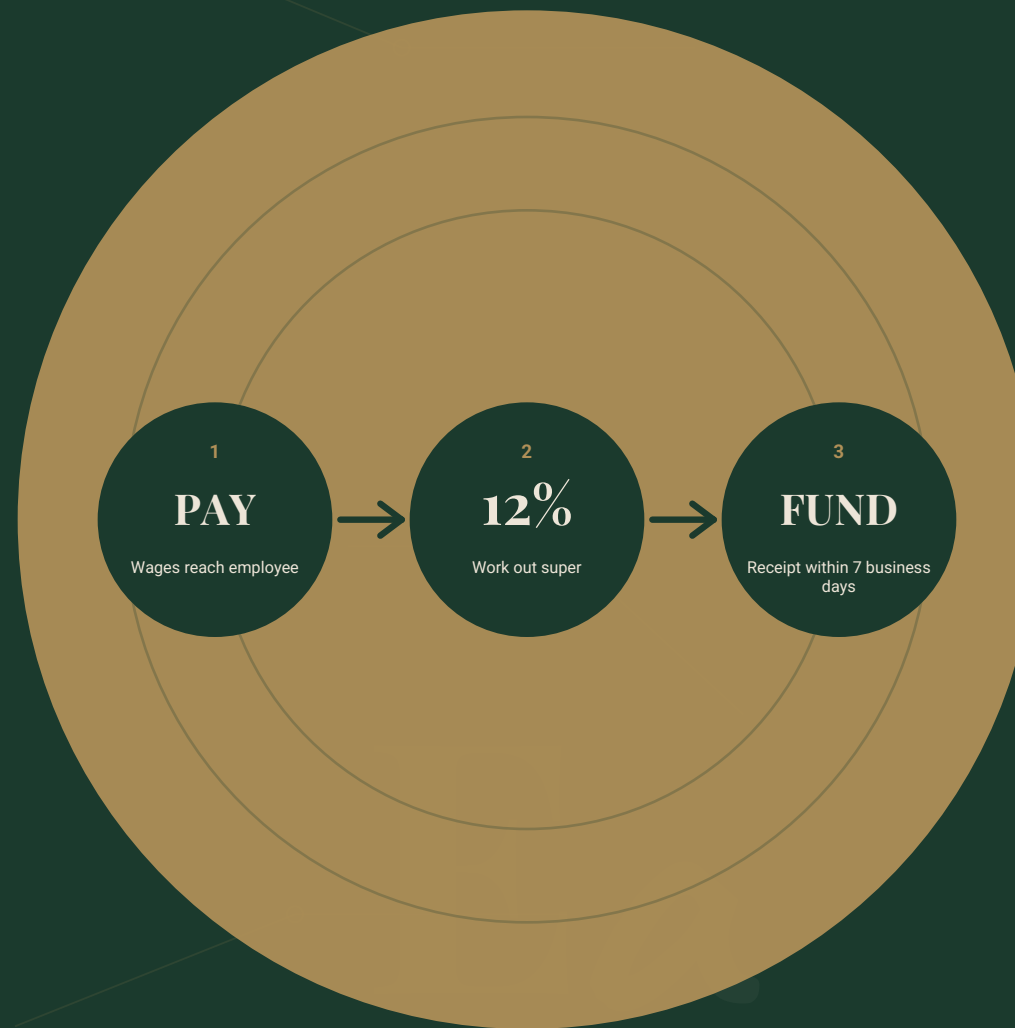
Payday Super, explained

The law. The meaning. The real-world result.

EFFECTIVE 1 JULY 2026

Current as at 7 September 2026

Truly Yours, Financially.



THE QUICK ANSWER

What is Payday Super?

Super is money an employer contributes to an employee's retirement savings, in addition to wages.

From 1 July 2026, every payment of qualifying earnings (the earnings that legally count) creates a super amount for that employee. The fund generally must receive and be able to allocate it within 7 business days.

12%

OF QUALIFYING EARNINGS

The compulsory employer super rate, applied to a legal earnings base rather than take-home pay.

7

BUSINESS DAYS

The usual time for the fund to receive and allocate the money.

Each payday

CREATES A QE DAY

Every employee paid can create a separate super amount and deadline.

BEFORE: GENERALLY QUARTERLY



NOW: EACH PAYDAY

LAW 1 OF 5

Payday creates the obligation

The legislation creates a separate amount for each employee and each QE day.

SUPERANNUATION GUARANTEE (ADMINISTRATION) ACT 1992 - SECTION 17A

Official PDF: printed page 29

"On the QE day, the employer has an individual superannuation guarantee amount..."

Individual SG amount = qualifying earnings x 12 / 100

1 Payment is the trigger

The day qualifying earnings are paid becomes the QE day.

2 The rate is 12%

The Act states that the charge percentage is 12.

3 It is employee-specific

The calculation is made for each employee and each QE day.

WHAT LAW 1 MEANS

A new super task starts whenever you pay

You do not wait for the quarter to finish.



WORKED EXAMPLE - ALEX

● Ordinary wages	\$1,000	COUNTS
● Sales commission	\$200	COUNTS
● Expense reimbursement	\$80	DOES NOT COUNT

$$\text{\$1,200 QE} \times 12\% = \text{\$144 super}$$

Alex receives \$1,280 in total, but the genuine \$80 reimbursement is not earnings. The super calculation starts with \$1,200, not the total cash paid.

LAW 2 OF 5

The fund must receive it on time

Sending the payment is a step. Fund receipt and allocation complete the legal test.

SGAA 1992 - SECTION 6

Official PDF: printed page 14

"...ending on the seventh business day after the QE day."

SGAA 1992 - SECTION 18A

Official PDF: printed pages 32-33

The contribution must reach a complying fund and be able to be allocated.

THE PRACTICAL TEST

On time = received + allocable

Allocable means the fund has enough correct information to credit the employee's account.

A bank debit or clearing-house submission does not prove the fund accepted it.

SGAA 1992 - SECTION 18C

WHAT LAW 2 MEANS

Seven business days, counted properly

Example: wages are paid on Tuesday 7 July 2026. No relevant public holiday occurs in this example.



Saturday and Sunday are not business days.

A payment that survives a rejection

- 9 July** Employer sends super.
- 10 July** Fund rejects the member number.
- 13 July** Employer corrects and resubmits.
- 14 July** Fund receives and can allocate it - on time.



DO NOT SEND ON DAY 7

If a file is rejected or delayed, the fund may receive it after the deadline. Build correction time into the process.

LAW 3 OF 5

What is qualifying earnings?

Qualifying earnings, or QE, are the earnings used to calculate Payday Super.

SUPERANNUATION GUARANTEE (ADMINISTRATION) ACT 1992 - SECTION 10A

Official PDF: printed pages 19-21

"A person's qualifying earnings are amounts covered by one or more of the following paragraphs..."

COMMON CORE

Ordinary time earnings and all commissions.

OTHER EXPRESS CATEGORIES

Certain executive, labour-contract and specified work payments.

SALARY SACRIFICE

Relevant earnings reductions exchanged for employer contributions.

The legal category matters more than the payroll code name.

WHAT LAW 3 MEANS

Ask why the payment was made

The same payroll label can produce a different answer when the underlying reason changes.

USUALLY COUNTS

- Ordinary salary or wages
- Sales commission
- Ordinary paid leave during employment
- Relevant salary-sacrifice reduction

CHECK THE FACTS

- Bonus - what did it reward?
- Allowance - what is it for?
- Contractor - is it mainly their labour?
- Back pay - what payment does it correct?

USUALLY DOES NOT COUNT

- Genuine expense reimbursement
- Genuine overtime outside ordinary hours
- Employer-funded parental leave payment
- Unused leave paid on termination

TWO PAYMENTS THAT LOOK SIMILAR

\$100 travel allowance: check its purpose and treatment. | \$87 repayment of an employee receipt: a genuine reimbursement is generally not earnings.

WORKED EXAMPLE

Mia receives \$3,620. Her QE is \$3,500.

The total paid to the employee is not automatically the amount used for super.

Mia's payday

✓	Ordinary salary	\$3,000	QE
✓	Sales commission	\$500	QE
✗	Expense reimbursement	\$120	NOT QE

TOTAL CASH BEFORE DEDUCTIONS

\$3,620

STEP 1 - REMOVE NON-QE

$$\$3,620 - \$120 = \$3,500 \text{ QE}$$

STEP 2 - APPLY 12%

$$\$3,500 \times 12\% = \$420$$

STEP 3 - CREATE DEADLINE

Fund receipt is generally due within 7 business days.

Net pay does not determine super. Qualifying earnings do.

LAW 4 OF 5

A different deadline applies only in limited cases

These are specific legal rules, not a general extension for busy employers.

SGAA 1992 - SECTION 18C(2), TABLE ITEM 1

Official PDF: printed page 37

A first contribution to a particular fund can use the extended usual period.

OUT-OF-CYCLE QE DETERMINATION 2026 - SECTION 5

Official PDF: printed pages 1-2

Specified payments outside an established pay schedule can use the next standard QE day.

WHAT THE LAW LIMITS**20 BUSINESS DAYS**

First contribution after starting, restarting or moving to a particular fund.

NEXT STANDARD PAY

Certain allowances, bonuses, commissions, loadings, advances or back pay paid outside the normal schedule.

EXCEPTIONAL EVENTS

A separate Commissioner determination may address prescribed large-scale exceptional circumstances.

WHAT LAW 4 MEANS

Two common exceptions, shown with examples

Use the longer period only when every condition for that exception is satisfied.



EXAMPLE 1 - NEW EMPLOYEE

Ella starts work

Ella's first pay is Friday 3 July 2026. The first contribution to her fund may arrive by Friday 31 July - 20 business days after that QE day.

WHAT ABOUT ANOTHER PAYDAY?

A later payday may share that same latest due date under section 18C. The longer window does not continue forever.



EXAMPLE 2 - OUT-OF-CYCLE COMMISSION

Sam is paid between paydays

Sam receives a \$300 commission on Tuesday 11 August between regular Thursday paydays. If section 5 applies, the \$36 super follows his next standard payday on 20 August.

WHAT IS THE RESULT?

Fund receipt is due by Monday 31 August, assuming no relevant public holiday. If the legal conditions fail, use the ordinary deadline.

DO NOT TREAT AN EXCEPTION AS A STANDARD PAYROLL POLICY

LAW 5 OF 5

A late or rejected payment can create an SGC liability

SGC means Superannuation Guarantee Charge. It can include more than the unpaid super.

SECTION 18C - BASE SHORTFALL

Base shortfall = SG amount – eligible on-time contributions

SECTION 18D

Final shortfall

Certain eligible late contributions can reduce the base shortfall.

SECTION 19A

Notional earnings

A daily-compounding amount applies while the final shortfall remains.

SECTION 19B

Administrative uplift

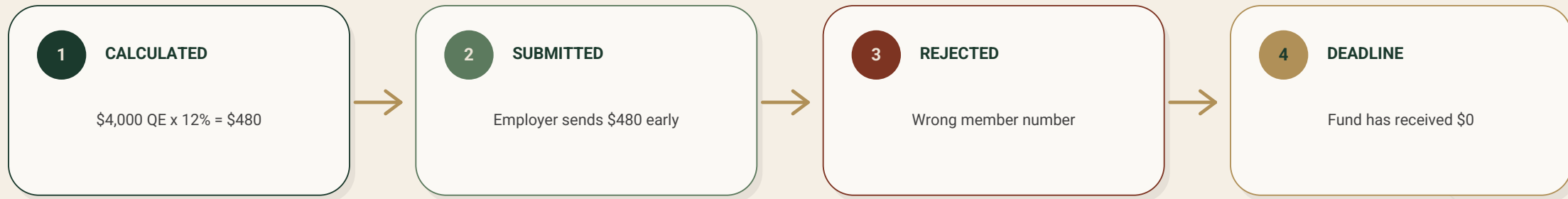
Starts at 60% of final shortfall plus notional earnings, subject to reductions.

Choice loading may also apply if choice-of-fund requirements were breached - SGAA 1992, section 20A.

WHAT LAW 5 MEANS

A correct calculation can still become late

This is the rejected-payment example in full.



What happened?



The employer initiated the right amount, but the fund could not allocate it by the deadline. At that point, the on-time contribution is \$0 and the base shortfall is \$480.

DO THIS IMMEDIATELY

- Correct and resubmit the payment.
- Keep rejection and receipt evidence.
- Assess any disclosure or SGC obligation.
- Do not treat PCG 2026/1 as a grace period.



BUSINESS EXAMPLE

The annual cost may be similar. The cash timing is not.

Example: 20 employees, each with \$2,000 of QE every fortnight.

20

EMPLOYEES

x \$2,000

QE EACH

x 12%

SG RATE

= \$4,800

EVERY PAYDAY

OLD QUARTERLY RHYTHM

About \$31,200

could accumulate across about 6.5 fortnightly payrolls

PAYDAY SUPER RHYTHM

\$4,800 every fortnight

must be available and processed with each payroll

Simplified annual total: \$124,800. The payment rhythm is the major change.

WHAT MUST CHANGE

Four parts of the business now move together

A pay run is not fully controlled until the super result is confirmed and reconciled.

PAYROLL

Map every pay code to QE. Check worker status, fund choice, member details and the 12% calculation.

SINGLE TOUCH PAYROLL (STP)

Report year-to-date QE and the related SG liability. Correct payroll reporting errors promptly.

ACCOUNTING

Record super payable each pay run. Reconcile payroll, STP, bank, clearing data and fund acceptance.

CASH AND CONTROLS

Forecast super with wages. Set an approver, backup approver, rejection log and deadline alerts.

PAYSLIPS COMPLETE

SUPER CONFIRMED

RECONCILIATION COMPLETE

THE OPERATING ROUTINE

A six-step Payday Super control

Build the control around fund acceptance, not simply the bank payment.

01 Before payroll

Map QE and validate employee and fund data.

02 On payday

Calculate 12% of QE and finalise the pay event.

03 Immediately

Approve the contribution and release funds early.

04 After sending

Monitor clearing-house and fund messages.

05 Before due date

Fix any rejection and confirm allocation.

06 After receipt

Reconcile payroll, STP, cash and super payable.

The employer approves, funds and remains legally responsible.

PLAIN-ENGLISH GLOSSARY

The words used throughout this guide

These short meanings help you read the legislation and the examples.

SG

Superannuation guarantee - the compulsory employer super amount.

Eligible contribution

A contribution that meets the legal fund, allocation and timing conditions.

QE

Qualifying earnings - the earnings base used to calculate Payday Super.

SGC

Superannuation guarantee charge that can arise when SG is not paid correctly or on time.

QE day

The day an employer pays qualifying earnings to an employee.

STP

Single Touch Payroll - payroll information reported to the ATO through payroll software.

Usual period

The normal deadline window ending 7 business days after the QE day.

Clearing house

A payment service that forwards contributions to funds; submission alone is not fund receipt.

FREQUENTLY ASKED QUESTIONS

Timing and payment

Direct answers, each followed by a short example.

Q Must super reach the fund on the same day as wages?

Usually no. The normal deadline is 7 business days after the QE day, but sending early protects correction time.

EXAMPLE Tuesday payday: fund receipt is generally due by the seventh business day.

Q Can we keep paying super quarterly?

No. Each payment of QE from 1 July 2026 creates its own employee-level obligation and deadline.

EXAMPLE A fortnightly Friday pay cannot wait until quarter-end.

Q Does payment to a clearing house count?

Not by itself. The fund generally must receive the contribution and be able to allocate it.

EXAMPLE A bank debit marked paid can still be rejected by the fund.

Q What if a contribution is rejected?

Correct and resubmit it immediately, then confirm final receipt and assess any late-payment consequences.

EXAMPLE A wrong member number can turn a correct \$480 submission into a shortfall.

FREQUENTLY ASKED QUESTIONS

People, payments and exceptions

Coverage depends on the worker, the payment and the day it is paid.

Q Are small businesses exempt?

No. There is no general small-business exemption from the Payday Super timetable.

EXAMPLE A business with one covered employee still follows the relevant deadline.

Q Are contractors covered?

Some are. A contract wholly or principally for an individual's labour can fall within the SG employee rules.

EXAMPLE An ABN and invoice do not decide the issue by themselves.

Q What about an employee under 18?

An employee under 18 is excluded where they are employed to work no more than 30 hours per week.

EXAMPLE A 17-year-old working more than 30 hours in a week may be covered.

Q What if June work is paid in July 2026?

The payment date controls when the new regime starts for that payment.

EXAMPLE June wages paid on 2 July 2026 create a July QE day.



FROM LAW TO ROUTINE

How Expert Arm supports the change

Payday Super connects payroll, cash, accounting and controls. Each part must agree.

Payroll Outsourcing

QE mapping, pay-cycle calculations, STP-ready reporting, contribution schedules and exception monitoring.

[VIEW SERVICE](#)

Accounts Outsourcing

Super payable, cash and fund-receipt reconciliations, close support and exception follow-up.

[VIEW SERVICE](#)

Internal Audit

Independent review of the control from payroll calculation through fund acceptance and reconciliation.

[VIEW SERVICE](#)

The employing entity approves payroll, provides funds and retains its legal obligations.

[BOOK AN INTRODUCTORY CONSULTATION](#)



PRIMARY SOURCES ONLY

Official sources and author

Use the attached legislation PDFs and the linked regulator pages to verify the rules.

ATO - EMPLOYER SG | FUNDS - RECEIPT AND ALLOCATION | FWO - WORKPLACE RIGHTS | APRA/ASIC - FUND AND CONDUCT OVERSIGHT

FEDERAL REGISTER OF LEGISLATION

[SG \(Administration\) Act 1992 - current law](#)

[SG \(Administration\) Regulations 2018 - current law](#)

[Treasury Laws Amendment \(Payday Superannuation\) Act 2025](#)

[Superannuation Guarantee Charge Amendment Act 2025](#)

[Treasury Laws Amendment \(Payday Superannuation\) Regulations 2026](#)

[Out-of-Cycle QE Determination 2026](#)

AUSTRALIAN TAXATION OFFICE

[About Payday Super](#)

[Payment deadlines for Payday Super](#)

[What payments are qualifying earnings](#)

[Paying super for a new employee or fund](#)

[Single Touch Payroll under Payday Super](#)

[PCG 2026/1 - first-year compliance approach](#)

IMPORTANT NOTE

This guide is general information, current as at 7 September 2026. It is not legal, employment, financial or tax advice. Application depends on the worker, payment, industrial instrument and employer circumstances.

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Prepared and reviewed