



Payday Super legislation introduced and draft PCG

Legislation was introduced on 9 October. Provide feedback on the draft practical compliance guideline by 7 November.

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On 9 October, the Government introduced Payday Super legislation into Parliament to take effect 1 July 2026. This measure is not yet law.

Tax professionals should be aware of how the proposed Payday Super reform may affect employer clients. Key changes include:

- Employers must pay superannuation guarantee (SG) at the same time as salary and wages.
- SG contributions will generally need to reach employees' super funds within 7 business days.
- Updates to the super guarantee charge (SGC) calculation, including penalties.
- Introduction of a new concept called 'qualifying earnings' (QE), which are used to calculate both SG contributions and the SGC.
- The deadline for super funds to allocate or return contributions that cannot be allocated will be reduced to 3 business days, down from 20.
- The SuperStream data and payment standards will be updated to improve error messaging to ensure you can better understand why a client's super contribution was rejected and what you need to do to fix it. This will also include faster payments and new services, like the Member Verification Request, that will help your clients to reduce the likelihood of rejected contributions.

- Closure of the Small Business Superannuation Clearing House (SBSCH) to new registrants from 1 October 2025, and all users from 1 July 2026.
- Employers will need to report both QE and Super Liability via Single Touch Payroll (STP).

We've also published draft guidance on our compliance approach for employers for the first year of Payday Super. **PCG 2025/D5** sets out the factors we will consider when deciding how to apply our compliance resources to investigate employers in relation to the first year of Payday Super.

Our proposed compliance approach will recognise that employers who try to do the right thing from 1 July 2026 to 30 June 2027, and resolve any issues quickly, should not be the focus of ATO compliance action.

We welcome your feedback by 7 November.

For more information, visit ato.gov.au/paydaysuper.

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