



# Help your employer clients avoid the SGC

If your clients don't pay the right amount, on time and to the correct fund, they risk paying the super guarantee charge.

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From 1 July 2026, your employer clients will incur the new [super guarantee charge \(SGC\)](#) if their employees' super funds don't receive super contributions on time. Super contributions must be received within 7 business days after payday (unless longer applies, for example for [new employees](#)). There may be general interest charges and penalties for not paying SGC (which are not tax deductible).

Encourage your employer clients to confirm their super payments will be received by the super fund on time to avoid penalties.

## SGC explained


Under Payday Super, the SGC is calculated based on [qualifying earnings](#). The SGC is a charge on the employer for failing to pay super guarantee contributions for their employees in full, on time and to the right fund. It includes the total of any unpaid super, notional earnings, the administrative uplift amount, and the choice loading (if any). The ATO calculates the charge and sends an assessment to the employer.

The SGC is tax deductible.

We have released a [practical compliance guideline](#) to outline our approach to compliance during the first year of Payday Super. Under this compliance guideline, you won't be the focus of ATO compliance action as long as you:

- make your payments for each payday on time
- fix any errors as soon as possible.

## More information

You can further support your employer clients by encouraging them to watch our [video](#)  and check our [explaining qualifying earnings](#) webpage.

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## Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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