LCR 2026/2EC - Compendium

Law Companion Ruling compendium – LCR 2026/2

Relying on this Compendium

This Compendium of comments summarises and provides responses to submissions received during public consultation on draft Law Companion Ruling LCR 2026/D2 *Payday Super: eligible contributions*. It is intended to promote transparency and explain how stakeholder feedback was considered in finalising the document only.

It is not a publication that has been approved to allow you to rely on it for any purpose and is not intended to provide you with advice or guidance, nor does it set out the ATO's general administrative practice. Therefore, this Compendium does not provide protection from primary tax, penalties or interest for any taxpayer that purports to rely on any views expressed in it.

Consultation period: 18 March 2026 to 1 May 2026

We thank all submitters for their time and contributions.

Summary of issues raised and responses

All legislative references in this Compendium are to the *Superannuation Guarantee (Administration) Act 1992* (SGAA), unless otherwise indicated.

Issue 1 – clarify the binding status of the Ruling

Paragraph or section of draft product

Relying on this Ruling

Issue raised

Clarification is required on the level of protection offered by the final Ruling.

ATO response

Superannuation guarantee (SG) charge, and the provisions of the SGAA, do not fall within the formal legislative framework for rulings in Part 5-5 of Schedule 1 to the *Taxation Administration Act 1953*. The final Ruling provides that the Ruling is considered administratively binding on the Commissioner.

Outcome

Clarified

Issue 2 – ‘able to be allocated’ (meaning of ‘receipt’ and contribution timing)

Paragraph or section of draft product

Paragraphs 17 to 22

Issue raised

Further clarification is required regarding the meaning of ‘able to be allocated’ and its relationship to the concepts of receipt and contribution timing.

The draft Ruling does not clearly distinguish between:

- receipt of money by a superannuation fund
- receipt of contribution data
- a contribution being ‘able to be allocated’ and a contribution being ‘applied’ to a QE day
- when a contribution is treated as meeting the timing requirements for SG purposes.

The draft Ruling appears to conflate these concepts, particularly in paragraphs 19 to 21, where it refers to contributions becoming ‘able to be allocated’ while also indicating that a contribution is not made in certain circumstances (including where it is rejected).

Historically, superannuation guidance has focused on whether a contribution results in an increase to fund capital, whereas the draft Ruling reflects a framework in which both the contribution amount and sufficient member data must be received before a contribution is capable of being allocated.

Employers may be adversely affected where contributions are rejected despite timely payment and provision of data, including in cases involving fund-level errors or subsequent data corrections.

This creates uncertainty as to:

- the point in time at which a contribution is treated as received for the purposes of the SGAA
- how the ‘able to be allocated’ requirement interacts with the concept of receipt
- whether different concepts of receipt apply for SG compliance, contribution timing, and other tax purposes.

Without clearer articulation of these concepts and their interaction, employers and payroll providers may have difficulty determining when a contribution satisfies the eligibility and timing requirements under the Payday Super regime.

ATO response

This Ruling concerns eligible contributions – that is, superannuation contributions an employer can make to reduce or avoid liability for the SG charge. As outlined in paragraph 3 of the Ruling, the Ruling explains the criteria contributions must satisfy to be eligible contributions, and the time periods within which they must be received.

We consider that the Ruling appropriately reflects the legislative framework introduced by the Payday Super reforms. Under that framework, a contribution is only an eligible contribution where it is able to be allocated to a member, which requires the fund to have received the contribution amount and relevant information that would allow it to identify the member and allocate the contribution.

However, the final Ruling now explains the concept of an attempted contribution that is rejected and why the test for being 'able to be allocated' can result in the day the contribution is received being different from the day it is 'able to be allocated'.

Outcome

Clarified

Issue 3 – 'able to be allocated' (employer lack of visibility over superannuation fund receipt)

Paragraph or section of draft product

Paragraphs 17 to 22

Issue raised

Employers do not have visibility of when a contribution is received by a superannuation fund, including when both the contribution amount and associated data are received.

Employers commonly:

- make contributions through clearing houses or intermediaries
- transmit data via SuperStream.

After this point, employers have limited or no real-time visibility of the receipt of money or the receipt of data by the superannuation fund, and consequently, whether contributions are able to be allocated. Delays or failures in third-party systems may result in contributions being treated as late, despite employers taking reasonable steps to comply.

There are also practical constraints faced by employers. Employers often only identify processing issues at the next payroll run, payroll systems are not continuously monitored (particularly for small and medium employers), and employers do not have direct visibility or control over when a superannuation fund receives contributions or associated data.

A safe harbour approach could be introduced to address these circumstances, particularly where employers can demonstrate that contributions and data were provided within the required timeframe.

ATO response

We acknowledge:

- the limited visibility employers may have over when a superannuation fund receives a contribution
- employers commonly make contributions through clearing houses or other intermediaries and transmit data via SuperStream, and
- employers may operate payroll processes on a periodic basis and may not become aware of processing issues until a subsequent payroll cycle.

In these circumstances, employers may not have direct visibility of when the fund receives the contribution amount, the relevant identifying information, or when the contribution becomes able to be allocated. The Explanatory Memorandum to the Treasury Laws Amendment (Payday Superannuation) Bill 2025 and Superannuation Guarantee Charge Amendment Bill 2025, at paragraph 1.49, notes that an employer does not need an active confirmation from the fund that a received contribution can be allocated before the contribution can be recognised as eligible for the purposes of calculating an individual base SG shortfall (provided it is not rejected by the fund).

Under the SGAA, whether a contribution is made within the required timeframe depends on when it is received by the superannuation fund. This is an objective test set by the legislation and reflects the operation of the Payday Super framework. The use of clearing houses or third-party systems does not alter this statutory test, and a contribution must be received by the fund within the relevant timeframe to be an on-time contribution.

The final Ruling clarifies that employers may not have direct visibility of fund receipt where intermediaries are used.

The Commissioner has no discretion to alter the legislative test.

Outcome

Clarified

Issue 4 – ‘able to be allocated’ (fund-level errors and rejected contributions)

Paragraph or section of draft product

Paragraphs 17 to 22

Issue raised

Paragraphs 17 to 20 of the draft Ruling describe when a contribution is able to be allocated, while paragraph 21 of the draft Ruling provides that a rejected contribution (including where this occurs due to fund-level processes or errors) is not treated as a contribution for SG purposes. Does this reflect the correct interpretation of the new provision, or does the ATO view effectively introduce a further requirement that a contribution must be accepted and retained by the fund?

Where an employer has provided both the contribution amount and sufficient data, the contribution should be regarded as having been made, and any subsequent rejection by the superannuation fund should not alter this outcome. In particular, where a contribution amount has been transferred to a superannuation fund and results in a temporary increase in the fund’s capital, it should be treated as a contribution for SG purposes, even if the amount is subsequently rejected and returned. Furthermore, incorrect rejection of a contribution by a superannuation fund should not prevent the contribution from being treated as having been made, where the employer has otherwise met all requirements.

A contribution cannot be allocated in the absence of sufficient member data, and this requirement should be clearly articulated in the final Ruling.

The final Ruling should clearly articulate how the timing rules apply where a contribution is initially not able to be allocated but is later corrected, including whether both the correction and allocability must occur within the relevant timeframe.

More broadly, employers may be adversely affected by fund-level errors or processes outside their control. Does the current interpretation appropriately reflect the intended operation of the legislative framework?

ATO response

We recognise that employers may consider their obligations satisfied where they have provided both the contribution amount and the required data to the superannuation fund. However, the contribution must be accepted by the superannuation fund and increase the capital of the fund for the benefit of the employee in order to be recognised for SG purposes.

We do not consider that this introduces a further requirement beyond the statutory test but rather, reflects how the legislative criteria for an eligible contribution and the requirement that a contribution be made for the benefit of an employee operate together.

We restructure the 'able to be allocated' section of the final Ruling (paragraphs 18 to 23) to improve readability and clarfiy the treatment of payments that are rejected by a fund, including where a subsequent contribution is made within the relevant period.

We acknowledge that employers may take reasonable steps to comply with their obligations but be affected by fund-level processes or errors outside their control. However, these circumstances do not alter the statutory requirements under the SGAA. The Commissioner has no discretion to alter the legislative test.

Outcome

Clarified

Issue 5 – evidence and presumption of complying fund status

Paragraph or section of draft product

Paragraphs 12 to 16

Issue raised

The requirement for employers to obtain a written statement of complying superannuation fund status may impose an unreasonable compliance burden.

It is considered that reliance on existing administrative tools and processes, such as Super Fund Lookup and SuperStream, should be sufficient. Clarification is also required in the final Ruling on how frequently an employer must obtain a written statement of complying fund status, particularly in ongoing employment relationships.

ATO response

The Ruling reflects the legislative requirement that contributions must be made to a complying superannuation fund to be eligible contributions.

Section 18A provides a statutory presumption that a contribution is made to a complying superannuation fund where specified conditions are satisfied. These conditions include that the employer has obtained a written statement of the superannuation fund's complying status at or before the time the contribution is made.

Section 18A does not impose an obligation on employers to obtain evidence of a superannuation fund's complying status before making a contribution. However, an employer that does not obtain a written statement, or otherwise satisfy the conditions in section 18A, will not be able to rely on the presumption provided by that section if the superannuation fund's complying status is later in question.

We acknowledge that Super Fund Lookup and SuperStream validation processes play an important role in practice and are commonly relied on by employers to support their decision-making when making contributions.

However, while employers may use these processes in practice, they do not, of themselves, satisfy the statutory conditions required to access the presumption in section 18A, including the requirement to obtain a written statement.

The final Ruling acknowledges that employers may use online search tools and unofficial validation services to help them identify complying superannuation funds. However, the use of such tools does not, of itself, satisfy the requirement to obtain a written statement for the purposes of the statutory presumption. This clarification does not alter the operation of section 18A or the conditions required to rely on the statutory presumption.

Outcome

Clarified

Issue 6 – self-managed superannuation funds with temporarily unavailable regulation details and rejected payments

Paragraph or section of draft product

Paragraphs 20 to 21

Issue raised

Clarification is required on how employers should manage contributions where a self-managed superannuation fund (SMSF) has temporarily unavailable regulation details (for example, while awaiting audit or due to overdue lodgments). Contributions to such superannuation funds may be rejected, requiring employers to take corrective action within a limited timeframe.

There are also practical challenges that arise from the timing of updates to Super Fund Lookup, including that changes to SMSF regulation status may not be reflected immediately, limiting employers' ability to identify and respond to changes in superannuation fund status within the relevant timeframe.

ATO response

We acknowledge stakeholder concerns regarding contributions made to SMSFs where regulation details are temporarily unavailable and contributions may be rejected.

As set out in paragraph 10 of the Ruling, a contribution is only an eligible contribution where it is able to be allocated to the member's account. Where a contribution is rejected, it is not able to be allocated and is therefore not treated as having been made for the purposes of the SGAA.

We recognise that the regulation status of an SMSF may affect whether a contribution can be accepted by the superannuation fund in practice, and that this may give rise to timing and processing considerations for employers. However, these operational matters do not alter the application of the legislative framework as described in the Ruling. In some situations where a superannuation fund chosen by an employee becomes non-complying (or a purported chosen superannuation fund has an unknown complying status), an employer may, subject to choice of superannuation fund requirements, contribute to another fund for that employee for the first time. We note that the allowable longer period may be applicable in those circumstances.

We acknowledge that employers may have limited visibility of changes to SMSF regulation status, including where such changes are reflected through Super Fund Lookup. However, these matters relate to the operation of administrative systems and do not affect the statutory requirements. They are therefore outside the scope of the Ruling.

Outcome

No change

Issue 7 – advance contributions and carry-forward rules

Paragraph or section of draft product

Paragraphs 39 to 43

Issue raised

Clarification is required regarding whether superannuation funds are able, from a regulatory perspective, to accept advance contributions within the 12-month period before a QE day. Some superannuation funds have indicated they may be unable or not permitted to accept such contributions, raising questions about consistency with Australian Prudential Regulation Authority (APRA) requirements and the *Superannuation Industry (Supervision) Act 1993* (SISA).

The '12-month period before QE day' and the carry-forward provision could imply that superannuation funds are required to monitor QE day and associated carry-forward periods. However, superannuation funds understand there is no requirement to manage, monitor or allocate contributions to a QE day. The ATO should consider clarifying that superannuation funds are not required to allocate contributions to a QE day and that the 12-month carry-forward rule is administered by the ATO for SG purposes. This would reduce the risk of implying superannuation fund operational responsibilities and clarify that superannuation funds do not allocate contributions to a QE day.

Example 3 of the draft Ruling should be retained in its current form, as it provides important practical guidance on the operation of these rules. However, Example 3 should more clearly explain the consequences of non-payment of superannuation contributions under industrial arrangements (such as awards or enterprise agreements), as this would assist users in understanding how SGAA obligations interact with broader employment obligations.

ATO response

Under Payday Super, contributions received in the 12-month period before a QE day may be taken into account for that QE day, provided they meet the requirements for being eligible contributions and have not already been applied to an earlier QE day. The Ruling reflects the operation of these provisions, including how previously received contributions may reduce or eliminate a potential shortfall.

Paragraph 32 of the final Ruling makes clear that the allocation of eligible contributions to QE days is something that happens under the law automatically and does not involve anyone doing anything. The ATO uses reported data to ascertain the position of an employer under the law in respect of contributions and QE days.

We recognise that superannuation funds operate within a broader regulatory framework, including requirements under the SISA and with APRA oversight, and that these may affect whether and how contributions are accepted or administered in practice.

However, these considerations do not alter the application of the SGAA. The Ruling does not prescribe whether superannuation funds must accept contributions in advance, but explains how contributions will be treated where they are received.

Further, we note that there may be practical impediments with paying in advance if industrial arrangements require payment of contributions at a set frequency. Paragraph 47 of the final Ruling provides that, notwithstanding the operation of accumulated or unapplied contributions for SG purposes, employers may still be required to make additional contributions to satisfy their obligations under employment or industrial arrangements. The Ruling is limited to explaining the operation of the SGAA and it is outside the scope of the Ruling to address obligations arising under those separate frameworks.

We note support for Example 3 of the Ruling and its illustration of these concepts.

Outcome

No change

Issue 8 – exceptional circumstances

Paragraph or section of draft product

Paragraphs 56 to 61

Issue raised

Clarification is required in the final Ruling regarding the scope and operation of the 'exceptional circumstances' relief, including how it applies in practice and the types of events that may be covered.

In particular, the final Ruling should address whether the relief would extend to system outages, payment network disruptions, or superannuation fund-level events (such as successive fund transfers, mergers or temporary processing suspensions), and how terms such as 'widespread outages' are intended to operate in practice.

ATO response

The SGAA provides that the Commissioner may make a determination to provide for a longer period within which on-time contributions may be received in specified exceptional circumstances. Draft Law Administration Practice Statement, PS LA 2026/D3 *Payday Super: exceptional circumstances determinations* was published on 27 May 2026 and provides guidance to ATO staff on when the Commissioner may make determinations. The draft Practice Statement contains details on the scope and operation of exceptional circumstances relief.

Outcome

No change

Issue 9 – out-of-cycle and irregular payments

Paragraph or section of draft product

Paragraphs 52 to 54

Issue raised

The final Ruling should clarify the application of the Payday Super rules to irregular or non-standard remuneration patterns, including where earnings are paid as lump sums or at variable intervals (for example, in micro-businesses or where payments are driven by cash flow rather than fixed pay cycles). The draft Ruling assumes regular pay cycles and may not fully reflect common business practices.

The final Ruling should provide confirmation, supported by examples, that superannuation obligations arise when qualifying earnings are actually paid, regardless of payment frequency. Without clear and practical examples, some employers may incorrectly assume that the Payday Super framework requires them to alter established pay practices, rather than aligning contributions with when earnings are paid.

The final Ruling should also include examples of out-of-cycle payments, as well as additional examples illustrating how the timing rules apply in irregular scenarios, including lump sum payments and variable income patterns.

There are also practical scenarios where employees are paid frequently (for example, daily, in industries such as agriculture), but payroll processing and superannuation administration occur on a periodic basis (such as fortnightly or monthly). In these cases, it is queried whether such arrangements could be treated as 'out-of-cycle' for the purposes of applying the timing rules, to allow contributions to be made on a batched basis without giving rise to multiple QE days.

ATO response

Under the SGAA, obligations arise based on when qualifying earnings are paid, rather than the frequency or regularity of payroll cycles. This includes circumstances where earnings are paid on an irregular basis, such as lump sum payments. We have clarified this in paragraph 17 of Law Companion Ruling LCR 2026/3 *Payday Super: calculation and assessment of the superannuation guarantee charge*. The SGAA framework does not prescribe or require particular payroll practices but rather, establishes when obligations arise based on the payment of qualifying earnings.

We recognise that, in practice, some employers, including micro-businesses and those in sectors such as agriculture, may make payments to employees on a frequent basis (such as daily), while undertaking payroll administration and superannuation processing on a periodic basis. However, the concept of out-of-cycle qualifying earnings is limited to the circumstances specified in *Superannuation Guarantee (Administration)(Out-of-Cycle Qualifying Earnings) Determination 2026* and its accompanying Explanatory Statement. The availability of allowable longer periods on this basis is limited to those specified in that instrument and does not extend to administrative or batching practices adopted by employers.

The Ruling is not intended to prescribe or require particular payment practices, but to explain how the legislated timing rules apply.

Outcome

No change

Issue 10 – identification of unapplied contributions

Paragraph or section of draft product

Paragraphs 39 to 43

Issue raised

The final Ruling should clarify how the ATO determines ‘unapplied contributions’, particularly given limitations in reporting data (including Single Touch Payroll (STP), SuperStream and the Member Account Transaction Service (MATS)). Contributions in excess of minimum SG requirements (for example, arising from industrial obligations or higher contribution rates) may not be distinguishable and could be misinterpreted or incorrectly reallocated.

ATO response

The Ruling is limited to explaining what constitutes an eligible contribution for the purposes of reducing or avoiding liability for the SG charge, including how on-time and late contributions are applied under the SGAA.

As outlined in paragraphs 32 to 39 of the final Ruling, eligible contributions (whether on-time or late) are applied automatically under the law in a prescribed order. Contributions are first applied to the earliest QE day for which there is an individual base or final SG shortfall, in the order in which they are received by the fund, and then successively to later QE days.

The law also recognises that a contribution for a QE day may exceed the individual SG amount for that day. In these circumstances, the unapplied portion of that contribution may be carried forward for up to 12 months and applied against a later QE day, provided the earlier QE day shortfall has been reduced to nil and the contribution has not otherwise been applied. The term ‘unapplied contributions’ refers to these carried forward amounts. It also includes amounts that are paid as part of additional super obligations (for example, where an award requires employers to pay a higher rate of superannuation than the SG rate). Employers should be aware, though, that they will still need to meet their separate obligations under an award, industrial agreement or contract, even if excess contributions offset the individual SG amount.

How unapplied contributions are identified through ATO systems and reporting processes, including STP, SuperStream and MATS, are administrative and data matters and are outside the scope of the Ruling.

Outcome

No change

Issue 111 – structure, usability and practical guidance in the Ruling

Paragraph or section of draft product

Not applicable – relevant to document structure and usability

Issue raised

The final Ruling could be made easier to navigate and apply in practice, particularly for small and medium employers, through improvements to its structure, presentation, diagrams and timelines. The Ruling introduces a number of technical terms with specific meanings (including 'able to be allocated', 'eligible contribution' and 'QE day'), which may not be intuitive for all users. These terms are used throughout the Ruling and examples, and the absence of a consolidated glossary may make it more difficult for employers, advisers and payroll providers to navigate and consistently interpret the guidance.

Most examples in the Ruling are based on single employee scenarios and do not reflect the way employers manage obligations in practice across multiple employees.

The final Ruling should include prominent warnings and worked examples at the beginning of the Ruling to illustrate the treatment and consequences of late contributions in the March 2026 and June 2026 quarters, including the interaction with transitional Payday Super rules.

ATO response

The Ruling is intended to explain the legislative framework and its operation. We recognise that employers and advisers rely on practical examples and supporting materials to apply the law in practice.

The final Ruling provides improved clarity and usability, and is structured to assist readers in navigating and understanding the content.

We recognise that a consolidated glossary may improve usability for some readers. Many of the terms that are explained in the Ruling, however, have several constituent elements or require several paragraphs of explanation (for example, eligible contribution, on-time contribution, late contribution, 'able to be allocated'), and the specific purpose of this Ruling is to explain those elements. We note that LCR 2026/3 outlines the meaning of key terms at the beginning of that Ruling. The intent of LCR 2026/2 is not to replicate explanation of terms and concepts that are covered in detail in other rulings. To assist the public in becoming familiar with the new Payday Super terms, we have also published a Payday Super glossary at Payday Super – terms we use.

The examples in the Ruling are primarily framed around a single employee scenario because they explain the relevant provisions, and those provisions operate on a single employee basis. The purpose of the examples is to aid those explanations. After careful consideration, a decision was made to retain this approach to avoid unnecessary complexity and to ensure the core legislative principles are clearly illustrated. While more complex, multiple employee scenarios arise in practice, we consider that the single employee examples support understanding the explanations in the Ruling, from which the application of the rules can be understood and applied more broadly. Additional examples and further information for employers is also available at Payday Super for employers.

While the Ruling includes illustrative examples, it is not intended to replicate the full range of operational scenarios faced by employers or to mirror all aspects of ATO communications.

We also note Law Companion Ruling LCR 2026/1 *Payday Super: application and transitional provisions* addresses transitional arrangements, including the treatment of contributions made in the periods surrounding the commencement of Payday Super, and provides detailed guidance on the application of transitional rules.

Outcome

Clarified

Issue 12 – timing of publication of final Ruling

Paragraph or section of draft product

Not applicable – relevant to document timing

Issue raised

The ATO should prioritise early finalisation and publication of the final Ruling to allow employers, payroll providers and superannuation funds sufficient time to implement compliant systems and processes.

ATO response

We acknowledge the importance of providing timely and clear guidance to support implementation of the Payday Super reforms. We sought to publish the draft Ruling as quickly as possible, to ensure stakeholders had visibility of our preliminary views in preparing for the commencement of Payday Super.

We recognise that employers, payroll providers and superannuation funds rely on this guidance to design and implement systems, processes and controls in advance of commencement.

We have finalised the Ruling as soon as practicable, having regard to stakeholder feedback and the need to ensure the guidance accurately reflects the legislative framework and its intended operation.

The timing of publication has balanced the need to provide early certainty with the need to ensure the guidance is accurate, complete and informed by consultation.

Outcome

No change

Issue 133 – interaction with voluntary disclosure statements

Paragraph or section of draft product

Paragraphs 70 to 72

Issue raised

Clarification is required regarding the treatment of contributions where a voluntary disclosure statement has been lodged. In particular, the final Ruling should clarify whether contributions can still be made to the fund after lodgment of the voluntary disclosure statement, and how the timing rules for late contributions apply in this context. The final Ruling should also include whether, once a voluntary disclosure statement has been lodged and an SG shortfall disclosed, employers are required to pay amounts to the ATO as part of the assessment process rather than making contributions to the fund.

ATO response

This Ruling is limited to explaining when a contribution is an eligible contribution for the purposes of the SGAA, including when a contribution is taken to be made. Matters relating to the lodgment of voluntary disclosure statements, and the consequences of lodgment, are governed by separate provisions of the SGAA and are outside the scope of the Ruling.

As explained in paragraph 74 of the final Ruling, late contributions can be taken into account if they are received by the employee’s superannuation fund on or before the day before the Commissioner makes an assessment of the employer’s SG shortfall for a QE day.

Guidance on the legislative provisions relating to voluntary disclosure statements can be found in LCR 2026/3 (see in particular paragraphs 106 to 108, 111 to 113 and 152 to 155 of that Ruling).

We note that under Payday Super, employers are generally encouraged to continue making any outstanding SG contributions directly to their employee's superannuation fund (if they haven't yet received an assessment from the ATO), as this may reduce the amount of SG charge that is ultimately assessed. Further guidance is available on these practical interactions – see What to do if you miss a Payday Super contribution.

Outcome

No change

Issue 144 – determination of receipt and reconciliation of discrepancies

Paragraph or section of draft product

Paragraphs 23 to 72

Issue raised

Employers may have limited visibility of when a superannuation fund receives contributions and associated data. The final Ruling should clarify what evidence employers can rely on where their records indicate that contributions were made and transmitted on time, but ATO data or assessments suggest otherwise.

It is also not clear how employers should respond to discrepancies between ATO data, fund records and their own payroll and payment records, particularly prior to an assessment being issued. Employers may receive information indicating a potential SG shortfall that does not align with their internal records.

The final Ruling should clarify what steps employers are expected to take to investigate or reconcile discrepancies before an assessment is raised, whether employers should proactively lodge a voluntary disclosure statement or await further ATO engagement, and how to manage situations where available information is incomplete or inconsistent.

There is a lack of clarity in the draft Ruling on reconciliation processes, including how employers should respond to discrepancies prior to assessment and whether additional guidance could be provided on evidentiary standards and acceptable documentation.

There is a risk that employers may take corrective action based on ATO data that is later found to be incomplete or inaccurate, potentially resulting in duplicated contributions or overpayments.

Guidance is required on how the ATO will treat employers who act promptly and in good faith based on the information available to them at the time.

ATO response

Under the SGAA, whether a contribution is received within the required timeframe depends on when it is received by the superannuation fund. This is an objective test set by the legislation.

The Ruling explains the operation of this test, including the relevance of receipt of the contribution amount and relevant identifying information. However, the Ruling does not prescribe how discrepancies between employer records, fund records and ATO data are to be resolved in practice.

We recognise that employers may rely on payment records, clearing house confirmations and data transmission evidence to support that contributions were made within the required timeframe. These matters relate to the administration of the law and compliance activity processes.

Guidance on reconciliation, evidentiary requirements and ATO administrative processes is outside the scope of the Ruling. We have guidance available on our website on what data we use and how we use it – see How we check Payday Super compliance.

Outcome

No change

Issue 155 – Explanation and use of QE day and timing concepts

Paragraph or section of draft product

Paragraphs 7, 23 to 72

Issue raised

The presentation of QE day concepts and associated timing rules may reduce clarity and create confusion in understanding the ordering and timing rules. In particular:

- The concept of a QE day and associated timeframes (including the usual period and allowable longer periods) are referenced in examples before being fully explained.
- Table 4 of the draft Ruling should expressly state the allowable longer period as ‘20 business days after the QE day’, rather than relying on the defined term ‘extended usual period’ without elaboration.

- Examples in the final Ruling could incorporate scenarios involving public holidays, noting that public holidays may affect the calculation of the usual period and the application of timing rules.
- Example 2 of the draft Ruling could make it clearer when superannuation guarantee obligations arise in respect of bonus payments.
- Additional guidance could be provided in the final Ruling on the timing of assessments (or the relevant decision point) and how this interacts with contributions received after the usual or allowable longer periods, to clarify the practical trigger for when a contribution is treated as late.

The draft Ruling may imply that superannuation funds have a role in allocating contributions to QE days. However, the application of QE days is an automatic process under the SGAA and is managed by the ATO. In practice, superannuation funds apply contributions based on the day of receipt. There is no mechanism for the superannuation fund to apply a contribution to a QE day as the QE day is not recorded. The final Ruling could include a clarifying statement that the application of 'eligible contributions' to QE days is not a superannuation fund-driven process and is not recorded by the superannuation fund.

ATO response

The concept of a QE day is introduced at paragraph 7 of the Ruling. A footnote to that paragraph sets out the definition. The Ruling explains the role of QE days in determining how contributions are applied for SGAA purposes. As noted in our response to Issue 7 of this Compendium, the allocation of eligible contributions to QE days is something that happens under the law automatically and does not involve anyone doing anything. The ATO uses reported data to ascertain the position of an employer under the law in respect of contributions and QE days.

To improve clarity, Example 2 of the final Ruling explains when SG obligations arise in respect of bonus payments paid on the same day as qualifying earnings.

In the final Ruling, existing examples to incorporate scenarios remain unchanged. We have not taken public holidays into account in the examples because they are intended to provide illustration of how the timing rules work. Some examples involving public holidays can be found in LCR 2026/3 as well as in examples on Payment deadlines for Payday Super.

We have also considered stakeholder feedback regarding the presentation of Table 4 of the final Ruling. The description as used in the draft Ruling, including the use of the defined term 'extended usual period', is considered sufficiently clear in the context of the Ruling. The use of the term 'extended usual period' also avoids repetition in the table.

We acknowledge stakeholder feedback regarding the timing of assessments and the treatment of contributions received after the usual or allowable longer periods. The timing rules are determined by reference to when a contribution is received by the superannuation fund, rather than the timing of any ATO assessment.

Outcome

Clarified

Issue 166 – accessibility and usability of diagrams and visual content

Paragraph or section of draft product

Not applicable – relevant to document usability

Issue raised

Diagrams relying on colour may not be legible when printed in greyscale and may present challenges for users with visual impairments, including colour blindness, or where accessibility tools such as screen readers are used.

Diagrams and visual elements should be designed to ensure readability and accessibility across different formats.

The inclusion of horizontal timelines for key examples (particularly the first 3 examples) would improve usability and assist readers in understanding the sequence and timing of events.

ATO response

We acknowledge the importance of ensuring that diagrams and visual content are clear and accessible to all users.

The Ruling includes diagrams to assist in illustrating key concepts and improving usability. These diagrams conform to ATO publication standards, including the requirements of the Web Content Accessibility Guidelines 2.2 Level AA.

We acknowledge the usefulness of timelines and have used that format in several parts of the Ruling to show the relationship between periods. The existing diagrams that are in a calendar format were chosen to allow overlapping periods to be clearly shown in respect of individual days, which is particularly important for illustrating out-of-cycle payments and the bunching rule.

Outcome

No change

Issue 177 – reference point for QE day (Day 0 vs Day 1)

Paragraph or section of draft product

Not applicable – relevant to document usability

Issue raised

There is a potential inconsistency in how the QE day is described, including whether it is treated as 'Day 0' or 'Day 1' in the context of timing calculations. In practice, some stakeholders refer to the QE day as 'Day 0', whereas the draft Ruling refers to it as 'Day 1'. This difference in terminology could create confusion in understanding how the timing rules (including the usual period and allowable longer periods) are calculated.

ATO response

The Ruling refers to the QE day as the starting point for applying the timing rules under the SGAA, with subsequent periods measured from that day. While the QE day may be described in practice as 'Day 0' or 'Day 1', this does not affect the operation of the legislative timeframes.

The final Ruling retains the approach of describing the QE day as 'Day 1' as this is consistent with the approach in other ATO guidance. However, in the final Ruling, Example 1 makes clear which days are QE days.

Outcome

Clarified

Issue 188 – error in Example 3

Paragraph or section of draft product

Paragraph 42 (Table 3)

Issue raised

There is an error in Example 3 (Table 3). The amount shown in the 'Contribution made by the employer' column for the final row (1 May 2028) is $1,500, when no contribution was made on that day. This amount should instead be nil to reflect that no superannuation contribution was paid on that QE day.

ATO response

We acknowledge the identified error in Example 3 of the draft Ruling. The final Ruling shows the correct amount in the 'Contribution made by the employer' column for the 1 May 2028 QE day, to reflect that no contribution was made on that day.

Outcome

Clarified

Date of publication: 5 August 2026
