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**What Employers Need to Know Before 1 July 2026**

From 1 July 2026, the Government will introduce a new superannuation law, “Payday Super”, which is one of the most significant changes to superannuation in recent years. This reform will fundamentally change how and when employers must meet their obligations, with super payments no longer permitted to be made quarterly and instead required to be paid at each pay cycle.



As a result, businesses will need to rethink how super is managed, with closer alignment between payroll, cash flow, and compliance processes.

The shift to more frequent payments is also expected to place additional pressure on business cash flow, particularly for those who have traditionally relied on the quarterly payment cycle.

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 **What is Changing?**

Under the current system, employers pay superannuation within 28 days of the end of the quarter, although it can be paid more frequently.

**From 1 July 2026:**

- Super must be paid to employee superannuation funds **on payday**, generally at the same time as wages, and must be received by the fund **within 7 business days**.
- Employers should allow for processing times, as contributions must be received and able to be allocated by the fund within the required timeframe.

- Super must be calculated on **'qualifying earnings'**, which include salary sacrifice and amounts treated as salary or wages for SG purposes.
- Reporting and payroll processes will work more closely with **STP-enabled payroll systems**, so businesses should check their software is updated for Payday Super.
- The **Small Business Superannuation Clearing House closes on 1 July 2026**. New users have been unable to register since **1 October 2025**. Clients currently using this service will need an alternative payment solution.
- Late or missed payments may trigger the super guarantee charge and potential penalties.

👉 **In simple terms:**

*Quarterly payments are gone — near real-time super is in.*

💡 **Why This Matters for Your Business**



While the reform improves outcomes for employees, it creates real operational impacts for employers:

**Key Impacts:**

- **Cash Flow Pressure**

No more holding super funds until quarter end. Businesses must remit payment with each payroll cycle, which can tighten working capital, especially for small and medium enterprises.

- **Increased Admin & Compliance**

It also increases the frequency of transactions and administrative processes, meaning payroll systems need to be more automated and accurate.

- **System Dependence**

Payroll accuracy becomes critical. From an operational perspective, payday super pushes businesses to modernise their payroll and accounting systems.

Companies that rely on manual processes may find the transition challenging, while those with integrated digital payroll solutions will adapt more easily.

- **Preparing Early**

Businesses that prepare early—by upgrading payroll systems, reviewing cash flow management, and ensuring compliance processes are robust—can turn payday super into an advantage rather than a burden. It’s not just a regulatory shift; it’s an opportunity to improve financial discipline, reduce compliance risk, and build stronger employee confidence in how their entitlements are managed.

- **Who will be most affected?**

- Employers still using **manual payroll processes**.
- Employers using the **Small Business Superannuation Clearing House**.
- **Weekly and fortnightly** payroll businesses.
- Businesses with **tight working capital**.

 **Key Dates to Know**

Date	What Happens
1 July 2026	Payday Super begins
Ongoing	Super paid on payday and received within 7 business days.



 **What You Should Do Now**

**1. Review Your Payroll System**

Make sure it can:

- Process super each pay run.
- Integrate with Single Touch Payroll.
- Handle increased volume.
- Be sure to finalise June quarter payments by 28 July 2026 (or earlier).

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## 2. Plan for Cash Flow Changes

You should review your expected pay cycles for July to understand the impacts of paying super each payday. You may consider setting aside additional funds to make sure you can meet your obligations. In July 2026 some employers may effectively have to fund:

- the **April–June 2026 quarter** by **28 July 2026**, and
- one or more **July payday** super obligations within 7 business days of each payday.

If your cashflow permits, you can pay your June quarter super on or before your first payday in July.

If you do this, your business will have:

- a more seamless changeover to the Payday Super system.
- time to correct any rejected payments before the 28 July deadline.

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## 3. Strengthen Internal Processes

- Align payroll + finance.
- Automate the payroll process where possible.
- Add compliance checks.

Automating payroll and super payments can significantly reduce manual workload and help ensure accuracy, while built-in compliance checks—such as validation of contribution amounts and payment timing—act as safeguards against costly mistakes.

Together, these improvements create a more resilient, efficient system that can handle increased reporting obligations with confidence.

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## 4. Clean Up Employee Data

- Confirm super fund details for all employees.
- Ensure correct onboarding processes for new employees.

Accurate employee data becomes even more critical when super is paid each cycle. Incorrect or outdated super fund details can lead to failed payments, delays, and additional administrative work to resolve issues.

Taking the time to confirm employee information and strengthening onboarding processes ensures new hires are set up correctly from day one. This not only supports compliance but also improves the employee experience by ensuring their super contributions are paid accurately and on time.

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### ⚠️ **What Happens if You're Not Ready?**

- Missed deadlines may trigger **the super guarantee charge and potential penalties.**
- Increased ATO visibility through **real-time reporting.**
- Greater risk of **cash flow strain and admin overload.**

If businesses are unprepared for payday super, the consequences can escalate quickly. Because reporting and payments happen more frequently, there is less room to recover from errors or delays, increasing the likelihood of penalties.

Real-time data reporting also means the ATO has greater visibility over compliance, making issues easier to detect. At the same time, businesses

without streamlined systems may face significant administrative pressure and cash flow challenges, highlighting the importance of early preparation and system readiness.



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### 💡 **Final Thoughts**

Payday Super is more than a compliance update—it's a **fundamental shift in how businesses manage payroll and cash flow.**

Businesses that act early will:

- ✓ Avoid disruption
- ✓ Reduce compliance risk
- ✓ Improve payroll accuracy

Those who don't may feel the impact quickly once the rules take effect.

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### 🤝 **Need Help Preparing?**

Additional information in relation to Payday Super is available on the ATO website:

[ATO Payday Superannuation Resource Page](#)

**At Kinsella**, we are already working with clients to get ahead of these changes.

If you would like help reviewing your systems, processes, or cash flow impact, get in touch with our team.

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## Get in Touch

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