

RE: IMPORTANT INFORMATION FOR EMPLOYERS

Pay Day Super legislation has been passed and will take effect on 1 July 2026. This is an extension of the original Single Touch Payroll legislation.

Under the new rules employers have an obligation to make superannuation contributions on each employees pay day and for these payments to be allocated to the employees superannuation funds within 7 business days of payment of wages.

There are some cases where additional time will be given for:

- (i) new employees or for employees who have changed their choice of superannuation fund (20 business days) or
- (ii) for out of cycle pay-runs the contributions must be allocated within 7 business days of the employees next regular pay day.

Employers will be deemed to have met their obligations if they have paid the superannuation contributions to a clearing house on pay day. As a result, the most reliable way for employers to meet their new obligations is to pay superannuation each pay day.

The ATO's Small Business Clearing House is retiring on 1 July 2026. So, it is important that any reports from that clearing house are printed before 30 June 2026.

It is expected most payroll providers will already have the facilities to process superannuation payments. We recommend that you check this and make plans for the cash flow effects of the expected payment obligations. It is also possible for you to trial paying superannuation each pay day before 30 June 2026. Some employers may choose to set this up and start paying superannuation each pay day now to prepare for the transition.

Superannuation contributions for the quarter ended 30 June 2026 are still due to be paid By 28 July 2026. However, under the new rules, any superannuation payments made after 1 July 2026 will be offset against the oldest superannuation due first. For this reason, we suggest that you pay the superannuation for the June 2026 quarter before your first pay day in July 2026.

Under these changes, employees are likely to have 15 months of superannuation contributions made for them in the year ended 30 June 2026 (in cases where employers make the June 26 quarterly contributions by 30 June 2026) or in the year ended 30 June 2027 (in cases where employers make the June 26 quarterly contributions on the year ended 30 June 2027) The ATO has announced that , for the year ended 30 June 2027, employees will not be penalised for exceeding the superannuation contribution limits due to these changes.

Should you have any queries regarding the above matters, please don't hesitate to contact our office.

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