

# *Payday Super* ✓ Readiness checklist



A practical guide for employers preparing for 1 July 2026



**From 1 July 2026, superannuation guarantee (SG) contributions must be paid on payday rather than quarterly. For most employers, this shifts superannuation payments from four a year to 12, 26, or 52, depending on pay frequency.**

That is a significant operational change. But the bigger shift is visibility. Under the current quarterly model, calculation errors and misclassified pay codes can go undetected for months. Under Payday Super, the ATO (Australian Taxation Office) will cross-reference STP (Single Touch Payroll) and fund data each pay cycle, making errors visible within weeks.

Most readiness advice focuses on system upgrades and clearing house transitions. That matters, but it is not the full picture. Superannuation calculations that are wrong today do not become right by paying them faster.

**This checklist covers five areas of Payday Super readiness:**

- ✓ **The new rules**
- ✓ **Systems**
- ✓ **Data**
- ✓ **Calculations**
- ✓ **Governance**



# 1. Understand the new rules

## **SG is now paid on payday, not quarterly.**

From 1st July 2026, SG must be paid at the same time as salary and wages.

## **Contributions must reach the fund within seven business days.**

The clock starts on payday. Processing delays, bank transfers, and clearing house lag all count.

## **"Business day" has a national definition.**

The ATO defines a business day as any day other than a Saturday, Sunday, or a public holiday for the whole of any Australian state or territory, even if the employer is not in that state.

## **Extended timeframes may apply for new employees and fund changes.**

Employers have up to 20 business days for first contributions to a new employee or a new fund.

## **Qualifying Earnings (QE) replaces ordinary time earnings as the SG calculation base.**

QE is broader. It includes ordinary time earnings plus salary sacrifice amounts, all commissions, and payments to contractors under the expanded employee definition.

## **STP reporting expands.**

Both QE and superannuation liability must be reported through STP each pay cycle for employees. For independent contractors paid principally for their labour, STP reporting is optional but, if chosen, must include both QE and superannuation liability.

## **The maximum contribution base shifts from quarterly to annual.**

Organisations should review how this affects high earners and one-off payments such as bonuses.

## **The SG charge framework has been restructured.**

The new model has four components per QE day: the SG shortfall amount, a notional earnings component, an administrative uplift of up to 60% of the shortfall plus notional earnings, and choice loadings for fund choice breaches. Separate late lodgement penalties may also apply under Part 7. The SG charge is now tax deductible, excluding general interest charge and late payment penalties.

## **The ATO will use STP and fund data for compliance matching.**

Errors that went undetected for months under the quarterly model will now surface within a pay cycle.



*Next: Systems and Data* →



## 2. Prepare systems

### **Payroll software confirmed as Payday Super ready.**

The provider should confirm that superannuation can be calculated and disbursed every pay cycle, and that STP reporting supports QE and superannuation liability fields.

### **Clearing house transition complete.**

The ATO's small business clearing house closes on 1st July 2026. No new registrations have been accepted since 1st October 2025. An alternative clearing house that is SuperStream compliant should be in place.

### **Clearing house supports faster payment rails.**

Standard bank transfers can take two to three business days. Add clearing house processing time and the margin shrinks. The payment pathway must fit within the seven business day window.

### **Full pay run tested under new rules before 1st July.**

The test should include superannuation calculated on QE, disbursed on payday, and reported through STP.

### **Automated alerts configured for failed or rejected superannuation payments.**

A rejected contribution is not considered paid on time and triggers SG charge exposure.

### **Member verification request capability confirmed.**

This function allows employers to verify fund details before a first contribution, after a fund change, following a data update, or after a rejected contribution. It cannot be used before regular ongoing contributions.

## 3. Clean data

### **All employee superannuation fund details audited.**

Fund names, unique superannuation identifiers, member account numbers, and ABNs should be verified for every employee. Incorrect details lead to rejected payments and late payment exposure.

### **Existing superannuation fund error and warning messages resolved.**

Payments that currently receive a warning could be rejected after 1st July 2026.

### **Employee onboarding processes updated.**

Superannuation choice should be captured early, data validated at source, and stapled fund checks completed before the first pay run.

### **STP data checked against superannuation contribution data.**

Variance between reported and paid amounts will be visible to the ATO within a pay cycle.

### **Small business clearing house transaction history downloaded and archived before 30th June 2026.**

After closure, records will no longer be accessible.

*Next: Calculations* →



## 4. Verify calculations

Sections 1 through 3 cover rules, systems, and data. This section covers the area most organisations overlook: whether superannuation calculations are actually producing the correct result. Payroll systems process pay. They do not interpret awards, track rule changes, or catch configuration errors that affect SG outcomes. The items below are the most common areas where calculation errors occur.

### **SG calculation accuracy verified against the correct QE base.**

The 12% SG rate must be applied to the correct QE base for every employee, every pay event. Pay codes must be classified as QE or not QE. Incorrect mapping is the most common source of superannuation errors.

### **Annual maximum contribution base tracked per employee.**

Cumulative QE must be monitored across every pay cycle. Organisations need to know when an employee is approaching the cap, when it has been reached, and that SG ceases at that point.

### **Contract type handling confirmed at cap breach.**

Employees on total remuneration packages require different treatment when the annual cap is reached, including super cessation, cash salary top up, and split calculations where a breach occurs within a single pay period.

### **Employer shortfall exemption certificate suppression validated.**

Employees holding a valid exemption certificate from the ATO must have SG suppressed for the relevant periods. Failing to suppress creates over contribution risk.

### **Salary sacrifice amounts correctly included in QE.**

Salary sacrifice amounts that would have been QE had they not been sacrificed to super must be included. This is a change from how many payroll systems treat sacrifice today.

### **Contractor payments assessed for superannuation eligibility.**

Payments to workers paid principally for their labour under sections 12(3) and 12(8) of the Superannuation Guarantee (Administration) Act 1992 (Cth) are now captured as QE. Payroll software does not automate this classification.

### **Director fees, commissions, and allowances reviewed.**

All commissions now attract super under QE, not only those previously classified as ordinary time earnings. Director fees paid outside payroll need separate SG and STP reporting arrangements.

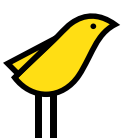
### **Contribution timing rules applied correctly per pay event.**

Standard contributions must reach the fund within seven business days of payday. Extended timeframes of up to 20 business days may apply for new starters or fund changes.

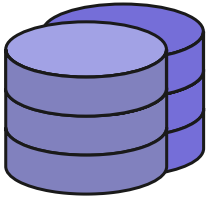
### **Superannuation fund field completeness checked before each pay run.**

Missing or incomplete fund details such as fund name, unique superannuation identifier, member number, or electronic service address for self managed super funds result in rejected contributions and SG charge exposure.

*Next: Calculations continued* →






## 4. Verify calculations (cont.)

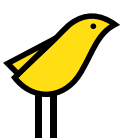


### The data foundation

Three requirements underpin accurate validation. These must be in place before each run.

Requirement	Why it matters
 <p><b>Pay code mapping</b></p>	<p>Every pay code must be classified as QE or not QE. Incorrect mapping produces incorrect SG calculations regardless of validation logic.</p>
 <p><b>Finalised year to date data</b></p>	<p>Annual cap tracking requires reliable cumulative data from prior periods. Unfinalised data produces unreliable positions.</p>
 <p><b>Employee attributes</b></p>	<p>Contract type (total remuneration package vs base and superannuation) and exemption certificate status must be maintained as structured records. These fields determine which validation rules apply.</p>

Next: Governance →



## 5. Strengthen governance

### **Cash flow impact modelled.**

Moving from four superannuation payments a year to 12, 26, or 52 changes working capital cycles. Organisations should model the impact and adjust forecasting.

### **Historical superannuation compliance verified.**

Errors that existed before 1st July do not disappear. They carry forward. Identifying and correcting historical shortfalls before the ATO's new matching framework begins maximises remission opportunities and reduces SG charge exposure.

### **Internal process documented for correcting errors within seven business days.**

A clear escalation path should exist: who owns the error, who authorises the correction, and how it is tracked.

### **Board and leadership briefed on new obligations and personal liability.**

Director penalty notices apply to SG charges. The SG charge becomes payable on the earlier of the first day after the 60 day period starting on the QE day, or the day the charge is payable under an ATO assessment. Directors who do not act within that window face personal liability.

### **ATO's first year compliance approach understood.**

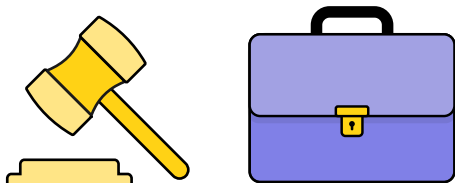
The ATO's practical compliance guideline (PCG 2026/1) categorises employers into three risk zones. Low risk: genuine attempts to pay on time and errors corrected promptly. Medium risk: shortfalls exist but corrected to nil within 28 days after the relevant quarter. High risk: insufficient contributions, repeated failures, or unresolved shortfalls. This is not a grace period. It is a risk based enforcement model.

### **Post payroll review process established.**

SG variance should be flagged within 24 to 48 hours of each pay run. Surfacing issues internally before the ATO does reduces risk.

### **Employee communications planned.**

Employees will see superannuation appearing more often. Proactive communication avoids confusion.



*Next: Support needed* →



## How Yellow Canary helps

**Most of this checklist can be completed internally. The exception is knowing whether superannuation calculations are actually correct.**

Payroll systems are built to process pay, not to verify the accuracy of SG outcomes. Pay codes get mapped incorrectly and earnings that should attract superannuation get missed. Under the quarterly model, these errors could sit undetected for months. Under Payday Super, the ATO will see them within a single pay cycle.

Yellow Canary's Superannuation Pre-Payroll Review Solution, powered by Celery, is the only solution that independently verifies SG calculations before each pay run is finalised. Every pay event, across the full employee population, the platform confirms that superannuation is being calculated correctly and flags errors before the seven business day compliance clock starts.



**Speak to your Yellow Canary representative or book a demo of the Superannuation Pre-Payroll Review [here](#).**