

IS YOUR BUSINESS READY FOR PAYDAY SUPER?

A complete checklist



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From 1 July 2026, the Government's Payday Super legislation will require businesses to pay super contributions at the same time as wages. This represents a major shift, moving away from quarterly payments to making contributions in line with every pay cycle.

Super must also reach employees' fund accounts within seven business days, a significant reduction from the current 28-day quarterly window.

For businesses, this means tighter cash flow management, far less room for error and tougher penalties if you fall behind.

On top of that, industry experts forecast a 7–10x increase in super processing errors and returns under the new rules. Each error or return could result in significant penalties if not resolved quickly.

The key to getting ready for these changes is preparation, so you're not caught off guard by any cash flow surprises or compliance risks. Plus you'll give your employees confidence that their super is landing in their super fund account exactly when it should.

This checklist will walk you through the critical steps to get Payday Super ready, so that when the changes come into effect, you're already set up for success.

Let's get to it.

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Review your current payroll software and systems



Before Payday Super comes into effect, you need to be certain your payroll system can process the new requirements.

You'll also want to prioritise testing these processes early to prevent any last-minute surprises when the new legislation kicks in.

You need to be confident your platform can handle the following:

- ✓ **Digital onboarding:** Capture and validate all employee personal and super details at onboarding to reduce potential errors and returns before they occur.
- ✓ **Automated super processing:** Your system should be able to completely and accurately calculate and automatically send super contributions with every pay run.
- ✓ **Choose and confirm a clearing and payments solution:** Make sure your payroll software will make it easy for you to align with the ATO's Draft Practical Compliance Guideline, supporting timely super payments, accurate reporting and low-risk compliance under the new Payday Super rules.
- ✓ **Real-time updates:** Confirm your payroll or clearing software delivers real-time payments and reporting with integrated fund-level data in each pay run. This helps minimise the risk of delays or penalties.
- ✓ **Closure of the ATO's Small Business Superannuation Clearing House (SBSCH):** The SBSCH will close by 1 July 2026, so be sure to transition off the SBSCH to another embedded payroll or clearing house solution before this date.
- ✓ **Single Touch Payroll (STP) integration:** Ensure your payroll software can handle STP reporting and that your super payments align seamlessly within the same pay cycle.
- ✓ **Audit trail:** Look for detailed reporting functions to track when super contributions are sent, received and cleared.
- ✓ **SuperStream compliance:** Check that your payroll provider or clearing house and payroll provider meet SuperStream standards for digital processing.

Take a look at your cash flow



One of the biggest challenges small and medium-sized businesses (SMBs) may face with Payday Super is cash flow management.

Prior to Payday Super, employers had the flexibility of paying super contributions quarterly, giving more breathing room to manage expenses and forecasting. From 1 July 2026, that quarterly buffer disappears. Your employees' super will need to leave your bank account at the same time as wages, regardless of whether you pay weekly, fortnightly or monthly.

This shift puts extra pressure on liquidity, with recent Employment Hero modelling showing the average SMB will need to unlock \$124,615 in additional working capital just to comply with the legislation.

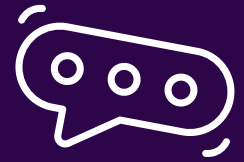
The reality is, more frequent super payments means less time to hold onto cash, so even a small delay in incoming payments from clients could disrupt your ability to pay wages and super on time. What's more, late super contributions can lead to penalties and interest charges from the Australian Tax Office (ATO) under the new [Draft Practical Compliance Guideline \(PCG\)](#), which can cause even more financial stress.

That's why it's critical to start building super into your cash flow forecasts now. The last thing you want is to be unprepared for the changes that are right around the corner. By planning early, you'll avoid a last minute scramble and potential penalties once the new requirements come into effect.

Here's what to look out for:

- ✓ **Build super payments into your payroll forecasts and forecast the super amount you'll pay each pay cycle:** Treat super as part of your payroll cost rather than a quarterly lump sum. This will help you clearly see your true wage obligations each pay cycle.
- ✓ **Create a payroll fund buffer:** Set aside funds in a dedicated account each pay run so you're never caught short when super payments are due. This also helps if you find yourself running into public holidays and bank cut-off times.
- ✓ **Gradually transition to payday:** Start gradually increasing your super payment frequency to minimise operational shock.
- ✓ **Bring approvals earlier in the pay week so payments aren't held up:** Be organised so you're not held up on payday.
- ✓ **Automate payments:** Use intelligent payroll software (like Employment Hero) that automatically calculates and processes super payments with wages to reduce the risk of missed deadlines.
- ✓ **Review client payment terms:** If you're often waiting on invoices to be paid, consider shortening your payment terms or incentivising early payments to improve cash flow in your business.
- ✓ **Speak with your accountant or bookkeeper:** If you're an SMB outsourcing your payroll, pencil in some time to have a chat with your accountant or bookkeeper. They can help you assess different pay cycle scenarios and put budgeting strategies in place to smooth out fluctuations in cash flow.
- ✓ **See the cash flow impact on your business:** Use our free [Payday Super Cash Flow Calculator](#) to understand how the changes could affect your business's cash flow.

Plan time to educate your payroll staff and communicate the changes with the wider team



Getting your people ready for Payday Super is just as important as getting your systems ready.

Firstly, you need to inform your payroll team. After all, they're on the front line of these changes so providing training to boost their confidence is essential for a smooth process come 1 July 2026. It's equally important to keep your wider team informed of changes to their super payments.

- ✔ **Update your payroll team:** Walk through new legislation, Employment Hero impact summaries, ATO employer videos and the above checklists with your payroll team
- ✔ **Inform the wider team that changes are coming:** Explain to your team how Payday Super works and highlight the benefits of more frequent contributions.
- ✔ **Keep leadership in the loop:** Provide regular updates to key stakeholders on Payday Super readiness, risks, changes to software and cash flow implications.
- ✔ **Encourage questions and feedback:** Give your payroll staff and employees a clear forum to ask questions before going live.



Employment Hero is leading the charge when it comes to helping you prepare for Payday Super



Under the ATO's Draft [Practical Compliance Guideline](#), businesses must show they're doing the right thing every payday, even if external factors mean contributions don't clear immediately. That's why Employment Hero is developing HeroClear, a superannuation tool designed to help employers manage their Payday Super obligations. This tool is currently in development now and will launch early 2026, well ahead of the 1 July 2026 deadline.

With HeroClear, super compliance will be seamless and stress-free. Super details will be automatically validated upfront, contributions will be calculated and submitted directly from Employment Hero Payroll and payments will be securely drawn from your nominated business account. Every transaction, from payment through to settlement, errors or refunds, will be tracked seamlessly within your Employment Hero platform.

Unlike standalone clearing houses or payment tools, HeroClear will be the only end-to-end solution built directly into your payroll system. That means:

- No file uploads or manual reconciliation, everything is automated.
- Errors are caught before submission, reducing bounce-backs and missed deadlines.
- Payments and reporting happen together, ensuring contributions reach the fund within the ATO's seven business day rule.
- Full visibility and proof of compliance, detailed histories, confirmations and reports make it easy to show you've met your obligations and avoid penalties.

Beyond automation, HeroClear will give you peace of mind, simplifying compliance so you don't have to worry about missed payments. Here's just a few more ways our powerful Employment Operating System is supporting employers in the transition to Payday Super.

- ✓ **Seamless all-in-one solution:** Super won't be a separate task. Payroll, payments and compliance flow together in one seamless Employment Operating System.
- ✓ **Automated super payments:** Our payroll software calculates and pays super in sync with each pay run, helping you meet the seven business day contribution deadline without added admin.
- ✓ **Seamless onboarding:** Securely collect and verify super fund details digitally as part of the employee onboarding process, avoiding compliance gaps later.
- ✓ **Single Touch Payroll (STP) integration:** Stay up to date with reporting requirements through built-in STP integration and real-time data syncing.
- ✓ **Fast and flexible payments:** Supports faster payments via NPP and other options. It also simplifies reconciliation by linking payments and data.
- ✓ **Employee transparency:** Give your team access to the Employment Hero Work app, where they can easily view their pay and super balances, helping build trust and accountability.

AND WE'RE NOT STOPPING THERE



We're working closely with clearing houses, the ATO and super funds to develop a dedicated suite of Payday Super features. These will include cash flow forecasting tools and compliance alerts, so your business is supported through every change.

The shift to Payday Super is coming fast, but HeroClear will keep payroll, super and compliance all under control. By integrating everything into one seamless flow, businesses won't need to juggle multiple systems or rely on separate clearing houses or banking tools.

You can stay up to date on everything Payday Super on our [Payday Super hub](#).



Keen to learn more about how Employment Hero can support your business in the transition to Payday Super? Get in touch with an Employment Hero partner today.

