

	Question	Responsibility	Answer
p11	<b>DEFINING 'PAYDAY'</b>		
1	What implementation issues could arise if 'payday' is defined as being each time a payment is made to an employee with an OTE component ?	Employer/software vendor	<p>The cost to make technical changes, time needed to implement, resources for mapping, build testing and go-live, impact on payroll production, reconciliations, transfers</p> <p>Adhoc payments as there are no pay results and so not able to generate required SAFF file. May be a requirement to revert to Offcycle payment process where pay results and posting is generated with every payment</p> <p>Additional workload to extract reconcile and pay out of cycle super payments ie up to five times per fortnight</p> <p>Need to understand role of clearing house - we are required to use a clearing house, but payment to clearing house does not equal payment to fund and there is a delay of up to 5 days.</p> <p>Also what mechanisms would need to be put in place to ensure those payments are not doubled up when the normal pay cycle payments are made. In addition we have a number of providers who have been categorised as employees for superannuation purposes. If they are to be paid superannuation each time they are paid on production of an invoice this would add significant administrative burden on to the Department</p>
2	What implementation issues could arise when more regular SG payments are mandated?	Employer/software vendor	<p>System resources to run payroll, larger bankfiles, delegations to approve payments</p> <p>per comments above. Implementation of Direct Debit for super may assist in alleviating some problems, but the process would still be required to be completed up to 6 times per pay period for each CoCode</p> <p>Resourcing, configuration changes. Improvements to Clearing House systems. Payment of super is not an automated process and does require considerable manual effort</p>
p12	<b>UPDATING THE SG CHARGE</b>		

3	Are there any advantages or disadvantages with the requirements of payday super being fulfilled if employers make the payment of SG contributions on 'payday' (i.e. the employer payment model)?	Employer	<p>Employers can make payment that meet the deadlines, but if the clearing house does not pass that through, who is penalised?</p> <p>Payday plus one day presents very tight timeframes in the current environment. At present it is taking close to two business days at best before we are in a position to finalise payments. Without improvements to Clearing House timeframes this target would be unachievable.</p>
4	Are there any advantages or disadvantages with the requirements of payday super being fulfilled if the employee's superannuation fund has received employer contributions a certain number of days after payday (i.e. the due date model)?		<p>Requirement to use clearing house for all payments means this option is more realistic. Even with direct debit for super implemented, there is still a number of days before receipt to employee funds. Is there requirements on super funds to ensure same day receipting into customer accounts?</p> <p>This would be the more advantageous model and would be consistent with current processes. In addition move to direct debit would assist in ensuring these timeframes are met</p>
5	Should there be a standardised due date for SG contributions depending on different pay cycles, independent of the frequency to when salary and wages are paid?		<p>One due date per pay cycle would be more realistic than up to 6 payments per cycle (fortnight)</p>
6	Would requiring a new reporting mechanism for employers under an employer payment model to the ATO on payday increase compliance burden?		<p>Yes. STP should be the reporting/compliance tool to the ATO. The frequency of STP reporting ie on or before pay day should inform the frequency and value of superannuation paid on a one: one basis ie for every STP submission there should be a super payment to match</p> <p>The proposed changes penalise compliant employers and may discourage non-compliant employers from correcting their errors and making timely payments</p>
7	How would intermediaries continue to be incentivised to expedite the processing of employer	Clearing house	<p>increasing penalties for non-compliance.</p>

	contributions under an employment payment model?		
8	Given reduced payment processing times facilitated by modern payment platforms, is a due date of 3 days after payday for superannuation contributions under a due date model feasible? What would prevent this timeframe?		While we can meet dead line in transferring to clearing house, the actual payment into employee super accounts is made by the clearing house, and needs to be factored in This is not something that can be answered by the employer. Clearing house and individual super fund processing/receipting times need to be considered This timeframe is feasible. Whilst the organisation can make the payment in a timely manner it is out of our control as to when the payment is made to the employees account
9	What impact would shorter payment timeframes have on clearing houses and other financial intermediaries that facilitate the payment of superannuation contributions to funds?		Unable to comment on impact on clearing houses
10	Would shorter payment timeframes require regulation of these financial intermediaries to ensure payment timeframes are met?		Yes
11	How can the payday super model be designed to ensure it can adapt to changes and innovations in payment and data platforms?		Something like STP but for super, and managed by ATO Adoption of bank release/settlement time frames in line with Salary releases ie immediate settlement. Alternatively, OSKO or other enterprise level settlement
12	What are the benefits or risks associated with allowing multiple payment methods and how might this affect payments processing for clearing houses and superannuation funds? Would there be benefit or risks in only allowing one payment platform (such as the NPP)?		Delays, duplicate payments, missing payments Single payment platform would allow simplified, consistent payments including known settlement timeframes

p14 - 15	<b>COMPLIANCE MECHANISMS - SG Charge assessments</b>		
13	What is the appropriate timeframe for ATO reconciliations? For example, fortnightly or monthly? Should the timeframe differ depending on the frequency of payday or would a standard timeframe be more appropriate?		Monthly - need to consider rejection by funds of payments remitted due to fund roll-overs/closure, non compliant SMSF
14	Should there be a mechanism whereby employers can pay SG charge they know they have accrued, prior to the reconciliations and assessments being issued? How should this occur?		Yes there should. Current arrangements should be maintained
p15-16	<b>COMPLIANCE MECHANISMS -Tax Deductibility and compliance</b>		
15	Should the LPO and carry forward of late payments remain a feature of the SG compliance system in a payday super model? Could an alternate system be adopted whereby late payments apply retrospectively to the earliest period outstanding?		Retain the current LPO arrangements
16	Should late SG contributions be tax deductible under certain circumstances, for example when an employer amends the SG charge before it is assessed by the ATO?		Yes
17	What kind of prompts or nudges could be provided to employers		Notifications through ATO portal and by mail /Notifications through employer portal

	to be aware of and meet their SG obligations on time?		
18	Are there more appropriate incentives outside of the LPO to encourage employers to pay SG in a timely manner?		No, If paid on time it is tax deductible and if not, it generally isn't tax deductible in line with the current rules.
p16-17	<b>COMPLIANCE MECHANISMS - SG Charge calculations; Additional Behavioural Penalty</b>		
19	Would changes to the SG charge be required to ensure the charge remains adequately punitive for non-compliant employers?		No, the SG Charge remains an adequate penalty
20	Does the current nominal interest rate of 10 per cent per annum adequately compensate employees for the foregone interest that would have accrued in the fund had their super been paid on time?		yes this should be sufficient based on returns for balance level investment
21	Does a nominal interest charge of 10 per cent per annum remain appropriate in a payday super model? Or are there alternative models that could address different degrees or severity of lateness?		Yes, as there needs to be a penalty for the employer and compensation for employee on non-compliance. There are a variety of pay cycles - weekly, fortnightly and monthly - if a monthly payment is missed and not
22	How should the administrative component of the charge apply? Is per employee, per ATO reconciliation period appropriate, considering your responses above to the appropriate		Current arrangements are appropriate

	timeframes for ATO reconciliations?		
23	Should the amount of the administrative component of the charge be changed? If so, what is the appropriate amount, and why?		No, it's already fair and adequate
24	Given that the current SG charge is not tax deductible, are there any circumstances where a non-compliant employer should be able to make a tax deduction for the SG charge paid?		No
25	Are there any other changes to the components of the SG charge that should be considered in the move to a payday super model, in the context of the purpose of the charge? For example, should the punitive aspects of the charge be more proportionate to the size of the noncompliance (that is, the size of the debt)?		No
26	What should 'additional behavioural penalties' look like in a payday super model?		Current existing penalty rates would be adequate. No requirement for a third separate penalty.
p18	<b>COMPLIANCE MECHANISMS - ATO Flexibility in SG Charge remission</b>		
27	Would granting the ATO flexibility to remit the SG charge in certain circumstances on the part of the employer risk the		No

	integrity of the SG charge?		
28	If you consider that the ATO should have some discretion to remit the charge, under what discrete circumstances should this be able to occur?		Circumstances outside of employers control. Natural disasters are mentioned in consultation paper and would be obvious. Also circumstances in which employee has not provided superannuation fund details or incorrect details impact on payment.
29	Should any discretion to remit the SG charge apply to the entire amount due or only to certain components? For example, scope could be given to the ATO to remit the nominal interest and administrative components of the SG charge but not the SG shortfall.		Entire amount to simplify the calculation
30	Would it be appropriate for the ATO to have discretion to extend the due date for the SG charge? If so, in what circumstances would this be appropriate? Further, what would be an appropriate time period for any extension? Should there be a limit on this?		as per circumstances noted in Q.28
p19-20	<b>COMPLIANCE MECHANISMS - Corrections and errors for superannuation funds</b>		
31	Should employers be allowed to make 'catch-up' contributions due to errors?	Employer	Yes - errors could be a range of reasons, incorrect information from managers or employees. These could result in retrospective payments and result in super adjustments to correct

32	What would be a reasonable time period to allow employers to make 'catch up' contributions that aligns with the intent to pay superannuation alongside wages? Should this time period differ depending on payday frequency?		Corrections to payments/STP would occur in the next available pay period. Super corrections should align
33	What are the challenges in correcting SG payments under a payday model? Is this an efficient way for employers to make corrections? Should error messages be standardised across funds?		Not an efficient method. Employees also need to take greater responsibility for their super funds. incorrect or incomplete information from employee incl rollovers and exit from funds. Fund mergers/deregulation with little to no notice to employers Errors often not known until upload to clearing house or subsequent rejection and return of super by fund
34	Is the 20 business day time period for superannuation funds to resolve errors appropriate in a payday super model?		No. Should be considerably less.
35	Under a 'due date' model, would it be appropriate for a period of grace to apply after the due date for SG contributions? If so, should the grace period apply automatically? Or should it be applied at the ATO's discretion in certain limited circumstances?		Yes, grace period should apply. Errors are often outside of employer control ie employee or fund action required and due to super stapling, limited opportunity to divert payment to a default fund to ensure payment compliance  Yes , without a period of grace the administrative burden on employers increases. Grace period should be applied at ATO's discretion. Preference would be for standardised error messages
p20 - 21	<b>COMPLIANCE MECHANISMS - Choice of fund, stapling and employee onboarding</b>		



36	<p>Would a digital ATO service simplify the choice of fund process and assist employees and employers to confirm the right super details?</p> <p>What functionality would be required?</p> <p>Would this address issues with data integrity under a payday super model?</p> <p>Should such a service be mandated?</p>		A digital ATO service would be of assistance particularly when contributions are rejected
37	<p>What are the costs and benefits of requiring employers to offer stapling to employees?</p> <p>Are there other changes that could be made to the choice of fund process?</p> <p>Could a digital ATO service reduce the administrative burden associated with stapling?</p>		First State Super Act means NSW PS is not required to super staple
38	<p>What are the costs and benefits of a ban on advertising super products during onboarding?</p>		COF is managed through internal systems so advertising is N/A in this instance
p21	<b>OTHER PAYDAY SUPER ISSUES - SG reporting frameworks</b>		
39	<p>How could a smooth transition be managed to aligning STP, SuperStream, MAAS and MATS reporting, either through changing the reporting requirements to year-to-date values or transaction-based reports?</p>		
40	<p>How could a smooth transition be managed if additional fields in</p>		

	reporting are made mandatory?		
41	Should a new unique identifier be included as a mandatory field in STP, SuperStream, and MATS which links employers, employees, and transactions?		
42	Are there any issues or consequences with including an employer's SG liability and OTE as a mandatory, rather than optional field in STP reporting?		Does STP2 not solve this?
p22-23	<b>OTHER PAYDAY SUPER ISSUES - SG contributions for the 2026-27 financial year</b>		
43	What is the best mechanism to avoid disadvantaging employees who would reach the concessional contributions cap in 2026-27 due to the accounting of SG contributions in the year the policy commences?		possibly not relevant for us given we are already paying each pay period by choice There would need to be a transition period for the 2026-27 Financial Year with increased limits
p23	<b>OTHER PAYDAY SUPER ISSUES - Maximum contributions for the 2026-27 financial year</b>		
44	On what period should the maximum superannuation contribution base be calculated in a payday super model? Would there be issues if it remained a quarterly calculation? Are there any other mechanisms that could help prevent employers paying over the concessional		No change required - remain quarterly

	contributions cap for employees?		
p23	<b>OTHER PAYDAY SUPER ISSUES - Defined benefit members</b>		
45	Are there any other changes that will be required for defined benefit members?		Defined Benefit cycles are monthly and do not align with payday (or each other!) SSS benefits are payable on 24 instead of 26 periods per year ie only calculated twice when 3 pay days in one month
p23 - 24	<b>OTHER PAYDAY SUPER ISSUES - Self-Managed super funds</b>		
46	Should there be any changes to the reporting frameworks for SMSFs and/or Defined Benefit funds to the ATO?		No. SMSF trustees have the responsibility for the management of the fund
47	Are there any other changes that will be required for self-managed superannuation fund members?		A digital SMSF ATO service to simplify the choice of fund process and assist employees and employers to confirm the right super details
p24	<b>OTHER PAYDAY SUPER ISSUES - Other issues</b>		
48	Are there any other impacts on stakeholders or considerations Government should consider in policy design?		excessive administrative burden on employers to maintain compliance, not only for payment, but potentially mandated additional reporting
49	What further changes would be required under the current rules to allow employers to meet payday super requirements?		
p25	<b>APPENDIX A: The current SG framework</b>		