ARE YOUR CLIENTS READY FOR PAYDAY SUPER?

A practical checklist for accountants and bookkeepers

Payday Super is a structural change. For most practices, the challenge is not understanding the rules, but coordinating systems, timing, cash flow conversations and client transitions across an entire client base.

This guide is designed to help you:

- Identify which clients are most impacted
- Prioritise work across 2025–2026
- Standardise how your practice prepares clients
- Reduce last-minute compliance risk

A QUICK ORIENTATION: WHAT'S CHANGING

From 1 July 2026, employers will need to:

- Pay super at the same time as wages or salaries rather than quarterly
- Ensure contributions reach employees' super funds within seven business days of payday
- Use qualifying earnings as the new base for calculating Superannuation Guarantee contributions each pay period

At the same time, the ATO's Small Business Superannuation Clearing House (SBSCH) will close completely on 30 June 2026. Any clients using it will need an alternative in place before that date.

For clients, this means a move to per-pay-run super payments, more frequent cash outflows and greater reliance on payroll and super systems that can operate reliably under tighter timeframes.

For practices, it means earlier planning, more client education and a phased transition approach.

BEFORE YOU START: WHY SEGMENTATION MATTERS

Not all clients will be impacted by Payday Super in the same way.
Some will already have systems and processes that can adapt easily. Others will face more challenges due to cash flow constraints, manual processes, reliance on the SBSCH or complex payroll arrangements.

Starting with a clear view of your client landscape helps you:

- Prioritise your more challenging higher-risk clients earlier
- Phase work across 2026
- Avoid bottlenecks as deadlines approach
- Allocate the right level of support to each client

STEP 1 - MAP YOUR CLIENT LANDSCAPE

PRIORITISE YOUR CLIENTS WHO REQUIRE MORE ADJUSTMENTS TO THEIR PROCESSES

One way to do this is to create a simple view of your client base. This does not need to be perfect. The goal is prioritisation.

Example segmentation table

CLIENT	PAYROLL SYSTEM	SUPER METHOD	PAYROLL COMPLEXITY	CASH FLOW PROFILE	LEVEL OF ADJUSTMENTS
Greenleaf Consulting Pty Ltd	Xero Payroll	Auto super	Simple	Stable	Low
Harbour View Cafe Pty Ltd	Xero Payroll	SBSCH	Complex	Volatile	High

This table is intended as a prioritisation tool, not a compliance assessment.
Use professional judgement and keep it simple.

Adjustments level guide

- **Low:** electronic super in place, simple payroll, stable and predictable cash flow
- **Medium:** some manual steps, more complex payroll or tighter cash flow
- **High:** reliance on the SBSCH, complex payroll structures, volatile cash flow or multiple risk factors combined

STEP 2 - STANDARDISE YOUR PRACTICE APPROACH

- [ ] **We have a clear, practice-wide position on recommended setups for:**
  - payroll configuration such as pay items, leave, overtime and allowances
  - electronic super payment processes including approvals and payment accounts
- [ ] **We have standard onboarding and review checklists for:**
  - new clients moving onto payroll software
  - existing clients preparing for Payday Super
- [ ] **Our team understands:**
  - how more frequent super payments change client workflows
  - where common issues are likely to arise under tighter timing

STEP 3 - REVIEW CLIENT PAYROLL AND SUPER SETUPS

- [ ] **For each client, we have reviewed or scheduled a review of:**

  - employee records including super fund details, USIs and member numbers
  - pay items and earnings types, including which pay items should be reported as qualifying earnings, to help ensure super is calculated correctly
  - how super is currently calculated, submitted and paid

- [ ] **We have confirmed or clarified:**

  - who is responsible for approving super payments
  - how quickly super payments are approved after each pay run
  - that clients understand delays in approval can lead to late super under Payday Super

- [ ] **We've identified clients who need to transition:**

  - from quarterly super habits to per-pay-run super payments
  - from manual or SBSCH-based processes to an electronic super payment solution

Under Payday Super, approving super payments promptly becomes just as important as approving payroll itself.

STEP 4 - SUPPORT CASH FLOW CONVERSATIONS

- [ ] **For selected clients, we've modelled reports for:**

  - Current quarterly super outflows
  - Future pay run aligned super outflows across a 12 month period

- [ ] **We can use Xero reports or analytics tools such as Syft to show:**

  - The impact of different pay frequencies (weekly vs fortnightly vs monthly)
  - How small buffers and timely invoicing can support more frequent super payments

- [ ] **We've integrated Payday Super into:**

  - Annual budgeting sessions
  - Mid-year reviews and planning conversations

STEP 5 - ALIGN YOUR INTERNAL TEAM

- [ ] **Everyone who discusses payroll and super with clients understands:**

  - Core Payday Super rules and timelines
  - Which client segments are the most impacted
  - How Xero Payroll and auto super support compliance

STEP 6 - CREATE CLEAR CLIENT COMMUNICATIONS

☐ **We've prepared a standard client email that explains:**

- what Payday Super is
- when it starts
- SBSCH closure timing where relevant
- what clients need to do and how we'll support them

☐ **We have a simple, client-friendly document we can leave with clients that:**

- explains what Payday Super means for their business
- outlines the key changes in plain language
- helps them understand why preparation matters

Xero tip: If you're looking for ready-to-use materials, you can use the **client email templates** and the **Payday Super explainer PDF** provided.

STEP 7 - BUILD A PRACTICAL TIMELINE

Now

- Complete your client segmentation and risk assessment
- Align internal team and finalise Xero standard set-ups
- Identify your first wave of clients to transition

February - March 2026

- Begin migrating SBSCH clients to Xero Payroll + auto super
- Offer education sessions to explain the changes and your recommended approach
- Validate key clients' Xero files against your Payday Super checklists

April - June 2026

- Complete remaining SBSCH transitions (well before 30 June)
- Encourage clients to run at least one "practice" period of per-pay-run super payments
- Finalise any last configuration changes and internal processes

From July 2026 onwards

- Monitor for common issues (e.g. rejected contributions, timing errors)
- Build **Payday Super reviews** into ongoing client service models
- Continue using Xero resources to support your firm and your clients as you transition and understand the best way to meet your obligations under Payday Super.

HOW XERO SUPPORTS YOUR PRACTICE

With Xero, your practice can:

- Use Xero Payroll and auto super to keep pay, super and reporting together
- Reduce manual handling and the risk of late or incorrect payments for clients
- Access Xero Central content, training and webinars on Payday Super
- Use Xero and Syft to build clear, visual cash flow stories for clients
- Support through your Account Executive on how to position Xero Payroll to your clients

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This checklist provides **general information only** and doesn't consider the specific circumstances of any particular client. It is not legal, tax, accounting or professional advice.

You and your clients should:

- Refer to the Australian Taxation Office (ATO), Fair Work and other official sources for detailed guidance
- Keep up-to-date with how compliance to these changes will be transitioned by the ATO, particularly in the first year of payday super. You can visit the **ATO's Payday Super site here** for more information.
- Understand from your professional body the ways they're supporting their members with the rollout of Payday Super.