

Faster, more efficient superannuation payments



Made possible by the NPP

An employer guide to payday super and the role of real-time payments

Superannuation is evolving and it's all about speed, efficiency, and better outcomes for retirement. The Government has announced reforms to align employers' payments of Superannuation Guarantee (SG) contributions with salary and wages.

Key features of the proposed payday super legislation

Employers required to pay super contributions on the same day as salary and wages

Contributions need to reach employees' super funds within 7 calendar days after payday

Superfunds must allocate or return contributions within 3 business days (previously 20 days)

The role of real-time payments

Modern payment options are already available to support the transition to payday super. They allow employers to make real-time super contribution payments, minimising delays and errors.

Central to this transformation is Australia's real-time payments infrastructure, the NPP. Launched in 2018, the NPP connects over 100 banks, financial institutions and fintechs, facilitating over \$6 billion in payments each day moving quickly and securely between bank accounts using Osko®, PayID® and PayTo®.

The NPP has the capacity, reach and resilience to process superannuation payments and a number of organisations are already beginning to process super payments on the NPP.

FOR SUPERANNUATION, PAYMENTS VIA THE NPP MEANS:

- ✓ Super contributions can be made 24/7, including on weekends and public holidays.
- ✓ Real-time payment outcome information simplifies tracking and reconciliation.
- ✓ Validation of bank account and payee details helps ensure payments are going to the right place.

Payday super does not require a bulk or batch payments solution. Businesses can continue to provide a bulk or batch payment file to their financial institution or payment service provider who can process these transactions individually on the NPP.

How more frequent super payments benefit employees



REDUCE LOST & UNCLAIMED SUPER

Helps reduce the \$17.8 billion in lost and unclaimed super by ensuring that super is paid more frequently and workers have better visibility over their super.¹



EASIER TO TRACK

Makes it easier for employees to track their super contributions and that payments have come through as expected.



HIGHER RETIREMENT SAVINGS

8.9 million employees stand to benefit from higher retirement savings²

A 25-year-old median income earner could be around \$6,000 or 1.5% better off at retirement.¹

Key takeouts



More efficient superannuation means payments can hit employee's accounts sooner, helping improve long-term retirement outcomes.



Modern payment options are already here, offering real-time payments, faster reconciliation, and smoother returns when issues arise.



For employers, it's time to start planning for payday super.



NEXT STEPS

What employers can do now

- Talk to your bank or payment service provider about how to prepare for payday super.
- Review opportunities to align super and payroll processes.



Learn more about
payday super

About Australian Payments Plus (AP+)

AP+ was created when Australia's domestic payments companies, BPAY Group, eftpos and NPP Australia, came together in 2022 to shape the future of payments.

Our purpose is to unite people and technology to power better experiences. We have a clear vision. To deliver more innovation to Australia's payments ecosystem so that Australian businesses, government and consumers experience more benefits, in more ways.

1. ASFA, Payday Super: A Game Changer for Fairness and Transparency, September 2024

2. The Treasury, Payday superannuation design details to ensure super is paid on time, September 2014

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