



# PayDay Super - ATO Practical Compliance Guideline PCG 2026-1 Summary

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# ATO Practical Compliance Guideline PCG 2026/1

## Summary

- **Practical Compliance Guideline PCG 2026/1** outlines the Australian Taxation Office's compliance approach for the Payday Super regime for the first year starting 1 July 2026 – 30 June 2027. It aims to inform employers on how the ATO will manage and enforce timely and correct superannuation guarantee contributions to align with wage or salary payments, rather than quarterly. The guideline emphasises a supportive transition with a risk-based compliance framework.
- **Risk-based compliance approach:** Employers will be categorised as low, medium, or high risk based on their compliance to Payday Super requirements, with flexibility to change risk ratings during the year according to compliance behavior. See next slide for description and examples.
- **Supportive transition focus:** In the first year, the ATO will prioritise education and assistance to employers, over penalties for minor or inadvertent errors. The ATO is encouraging employers to keep records that demonstrate good faith efforts to comply.

## What This Means for Employers?

- **Transition period:** practical, supportive approach by the ATO in the first year, focusing on education and helping employers adjust to the new timing of payments.
- **Evidence of intent:** Employers should keep records showing they attempted to comply (e.g., payroll records, evidence of rejected contributions, communication with funds).
- **Serious non-compliance:** Deliberate or repeated failures to comply or attempt to comply will be treated as high risk

## PCG 2026/1

The ATO published the updated Guideline on 28<sup>th</sup> January 2026

<https://www.ato.gov.au/law/view/document?DocID=COG/PCG20261/NAT/ATO/00001&PiT=99991231235958#H13>

# ATO Risk Based Approach

The ATO will categorise employers into low, medium, or high risk based on their compliance with the new Payday Super requirements. The ATO may adjust an employer's risk rating during the year if their compliance behavior changes.

Risk zone	Requirements	ATO Unpaid superannuation query and proactive case selection
<p><b>Low</b> Correct amount on time, with correction of errors as soon as reasonably practicable</p>	<p>An employer will be in the low-risk zone where all of the following have been met:</p> <ul style="list-style-type: none"> <li>the employer attempted to ensure that all of their individual base SG shortfalls in relation to their employees were nil for the QE day, by making on-time contributions equal to or exceeding the individual SG amount</li> <li>some or all of the eligible contributions were not received by the relevant fund (and allocable for the benefit of the employee) on time</li> <li>these eligible contributions are received by the relevant funds and allocable for the benefit of the employees as soon as reasonably practicable, resulting in the employer having individual final SG shortfalls of nil for all employees for the QE day at that time.</li> </ul>	<p>ATO will not have cause to review the employer's actions.</p>
<p><b>Medium</b> Correct amount but quarterly</p>	<p>An employer will be in the medium-risk zone where the employer does not meet the criteria to be in the low-risk zone, but the individual final SG shortfalls for all their employees are nil by 28 days after the end of the quarter in which the qualifying earnings were paid.</p>	<p>Compliance resources may be applied to investigate whether the employer has an SG shortfall for one or more QE days. Medium-risk arrangements will be given lower priority than arrangements that are rated high risk.</p>
<p><b>High</b> Late, Incorrect amount, Non-Payment</p>	<p>An employer will be in the high-risk zone where the employer does not meet the requirements to be in the low-risk or medium-risk zone.</p> <p>An employer will be in the high-risk zone if they have one or more individual final SG shortfalls greater than nil for their employees by 28 days after the end of the quarter in which the qualifying earnings were paid.</p>	<p>Compliance resources will be applied to investigate whether the employer has an SG shortfall for one or more QE days. High-risk arrangements will be given the highest priority resourcing.</p>