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## MEDIA RELEASE

### Backing payday super with practical solutions for all

The Institute of Financial Professionals Australia (IFPA) has welcomed the government's draft Payday Super legislation as a positive step towards reducing unpaid super and improving retirement outcomes for Australian workers. However, to ensure its success, IFPA is urging the government to implement several practical refinements to ease the compliance burden on small businesses and improve the system's fairness and functionality.

"Payday super is a win for employees, but to make it work in the real world, we need a system that's modern, efficient, and fair – especially for small businesses," said Natasha Panagis, Head of Technical Services at IFPA.

IFPA has made seven key recommendations to improve the payday super regime:

1. **Exempt micro businesses** – businesses with 10 or fewer employees should be exempt from the payday super regime and allowed to continue making quarterly SG contributions. Alternatively, micro businesses should either transition to a monthly superannuation guarantee (SG) payment cycle or be given a longer implementation period, such as an additional two years, to adapt to the payday super model.
2. **Adopt a 'pay date' model** – shift from the proposed 'due-date' (receipt-based) model to a 'pay-date' (payment-based) model for SG contributions, with a 14-business day window to simplify compliance and reduce penalties due to delays caused by banks, clearing houses, or fund processing times.
3. **Regulate superannuation clearing houses** – clearing houses must be held accountable for timely payments. Employers should not be penalised for delays outside their control.
4. **Introduce a standardised extended due date** – apply a single due date for SG payments in exceptional circumstances (eg, new employees, out of cycle payments, fund rejections, etc) to create certainty and reduce administrative confusion.
5. **Retain the SG statement option** – maintain the existing SG statement process alongside the new voluntary disclosure model to give employers flexibility and reduce complexity.
6. **Simplify SG opt-outs** – streamline the opt-out process for employees with multiple employers by allowing exemption certificates to remain in effect until revoked.
7. **Apply flexibility for SMSFs** – allow SMSFs that are temporarily removed from Super Fund Lookup due to late lodgement to continue receiving SG contributions in one-off or minor cases.

"Small employers will face the biggest hurdles under the new system. A phased rollout and realistic timelines will give them a fair chance to succeed," Panagis said. "And for employees with SMSFs, we need more flexibility – one late lodgement shouldn't jeopardise their super."

Panagis also stressed the need for system-wide upgrades. "To truly deliver on the promise of payday super, the underlying systems must be brought up to speed. That means upgrading superannuation clearing houses, payment platforms, and payroll systems to handle more frequent contributions in real time. Without these improvements, we risk setting employers up to fail."

IFPA remains committed to supporting the government's reform agenda and believes these recommendations will help ensure payday super delivers on its full potential – safeguarding employee entitlements while maintaining a practical approach for business.



The full submission is available on the IFPA [website](#).

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### **About Institute of Financial Professionals Australia (IFPA)**

The Institute of Financial Professionals Australia (originally known as Taxpayers Australia, and more recently Tax & Super Australia) has been serving members for over 100 years and is a leading financial professionals association dedicated to fostering excellence and professional development in the tax, accounting, superannuation, financial planning, and advisor fields. With a membership and supporter base of over 22,000 practitioners and a strong commitment to advancing knowledge, promoting ethical practices, and providing valuable resources, the Institute of Financial Professionals Australia empowers professionals to excel in their careers and make a significant impact in the financial industry.

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