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# MOMENTUM

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## WISE EOFY 2025/26

### Payroll Guide

What You Need to Know Before 30 June and Beyond

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*Prepared for Employment Hero Payroll users | Financial Year ending 30 June 2026*



## Overview

The end of the financial year is almost here. This year there is more to prepare for than usual — two significant changes land on 1 July 2026, and both require action before 30 June. Use this guide as your complete resource for closing out 2025/26 with confidence.

## Two Big Changes on 1 July 2026

### Payday Super

From 1 July 2026, superannuation must be paid on every payday, not quarterly. Contributions must reach the employee's fund within seven business days of each pay run. Quarterly batching ends permanently.

Employers still running manual super processes need to act now. Review your payroll and super payment workflows before 30 June so you are ready from day one. A SuperStream-compliant, Payday Super-ready clearing house must be in place before the new financial year begins.

### SBSCH Closure

The ATO Small Business Superannuation Clearing House (SBSCH) closes permanently on 1 July 2026. Before that date you must:

- Download and save your full transaction history — records will not be accessible after closure.
- Migrate to a SuperStream-compliant, Payday Super-ready clearing house well before 30 June.
- Ensure your new clearing house is set up and tested before your first July pay run.

Any super submitted through the SBSCH after 1 July will not be processed, creating immediate non-compliance and risk of the Super Guarantee Charge (SGC).

## Key Dates

Date	Obligation	Who It Applies To
Early June 2026	Fair Work Commission Annual Wage Review decision expected	All employers with award-covered or minimum wage employees
Before 30 June 2026	Super contributions must be received by employee funds (allow at least 2 weeks). Final date to use SBSCH — download records before closure.	All employers
1 July 2026	Payday Super begins. SBSCH closes permanently. Updated ATO tax tables take effect. Award rate increases apply from first full pay period.	All employers
14 July 2026	STP finalisation declaration deadline. Lodge so employees can access tax-ready income statements in myGov.	All STP-reporting employers
28 July 2026	Final Q4 Super Guarantee payment (April–June quarter) — last quarterly super payment.	All employers

Date	Obligation	Who It Applies To
21 July 2026	June BAS due for monthly reporters.	Monthly BAS reporters
31 October 2026	Company and individual tax return deadline (if self-lodging).	Self-lodging employers

## Superannuation Obligations for 2025/26

### Pay Super Early Enough to Clear

Contributions must be received by the employee's fund before 30 June to be tax-deductible for 2025/26. Allow at least two weeks for clearing — payments made in the last week of June frequently miss the deadline.

### Confirm the Correct Super Guarantee Rate

The Super Guarantee rate for 2025/26 is 12% of ordinary time earnings (OTE). Confirm this has been applied correctly across all pay runs throughout the year.

### Reconcile Super Contributions

Cross-check that every employee received the correct super for each quarter. Any shortfalls must be addressed via a Superannuation Guarantee Charge (SGC) statement lodged with the ATO.

### Audit Salary Sacrifice and Reportable Employer Super Contributions (RESC)

Confirm all RESC are correctly assigned. Errors mean employee amounts will not be reported correctly on their income statement, potentially creating an unexpected tax liability.

### Review Qualified Earnings (QE) for Payday Super Readiness

Qualified Earnings are the earnings that attract Super Guarantee obligations. Under Payday Super, errors are identified much sooner than under quarterly reporting — making accurate configuration critical. Review whether super is being applied correctly to:

- Ordinary hours, annual leave, personal leave and public holidays
- Shift loadings, commissions and bonuses
- Superable allowances
- Back pays and adjustments

Pay particular attention to custom pay categories, enterprise agreement interpretations, historical system configurations and manual payroll workarounds.

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## Payroll Checks and Reconciliations

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Complete these checks before lodging your STP finalisation event. Lodging with incorrect data means amended declarations, frustrated employees and more admin.

### 1. Finalise All Pay Runs

Any pay run with a date paid on or before 30 June 2026 must be finalised before you lodge. This applies to both standard and ad-hoc pay runs.

### 2. Reconcile Financial Year Data

Compare STP-reported earnings against what was processed in your finalised pay runs. Resolve any variances before lodging.

Payroll Item	Reconcile Against
Gross Wages	General Ledger
PAYG Withholding	BAS Lodgements
Superannuation	Clearing House Reports
Payroll Liabilities	Balance Sheet
Leave Balances	Payroll Reports

Common causes of variances include manual journals, reversed pay runs, incorrect payroll categories, unprocessed super adjustments and historical payroll corrections.

### 3. Review Employee Details

Check all employee details are up to date, particularly:

- Tax File Number (TFN), date of birth, residential address
- Employment status, commencement and termination dates
- Super fund name, member number and USI details

### 4. Review Pay Categories

Under STP Phase 2, gross income must be disaggregated into specific components. Misclassified pay categories are a common cause of lodgement errors.

### 5. Review Deduction Categories

STP Phase 2 introduced updated reporting requirements for deductions including specific classifications for salary sacrifice. Ensure no pre-tax deductions are set to 'default'.

### 6. Review FBT Settings

Check whether your FBT exemption status is correctly configured before finalising to ensure reportable fringe benefit amounts are reported accurately.

## 7. Check Opening Balances

If you migrated from another payroll system during 2025/26, verify opening balances are correctly set up. Inaccurate balances flow through to year-to-date totals.

## 8. Check ATO Lodgement Authority Settings

Before lodging, confirm your lodgement authority and supplier settings are correctly configured with the ATO and match your organisation's structure.

## Lodge Your STP Finalisation Event

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Once reconciliations are complete, lodge your finalisation event with the ATO. This locks in employees' year-to-date payroll data and makes their income statements available in myGov.

The deadline is 14 July 2026. Lodging late prevents employees from accessing pre-filled income statements and may result in ATO penalties.

If corrections are identified after finalisation has been lodged, an STP Update Event or Amended Finalisation Event may be required to update the employee's year-to-date figures with the ATO.

## Communicate With Your Employees

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Once you have lodged, let your employees know:

- Their income statement will be available in myGov linked to the ATO.
- It will be marked 'tax ready' once you have lodged your finalisation event, typically by 14 July.
- They should verify the figures before lodging their own tax return.

## Preparing for the New Financial Year

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### Update Award Rates and Minimum Wages

The Fair Work Commission typically announces updated minimum wages and award rates in early June, with changes applying from the first full pay period on or after 1 July. Monitor the Fair Work Commission website and apply increases before your first July pay run.

### Confirm Updated PAYG Withholding Tax Tables

If tax brackets or rates change, the ATO publishes updated withholding tables. Confirm your payroll software has applied new rates before processing your first 2026/27 pay run.

### Review Finance Readiness for Payday Super

Finance teams should assess the cash flow impact of more frequent super payments, funding requirements, clearing house processing timeframes and internal approval requirements before 1 July.

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## Record-Keeping

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After lodging, download and store your key EOFY reports (including your STP finalisation confirmation) securely. These are your audit trail if questions arise later.

Under the Fair Work Act, employers must retain all employee records — including pay records, leave records and hours worked — for a minimum of seven years. This applies to employees who have since left the business. Digital storage is acceptable provided records remain accessible and legible.

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## EOFY Readiness Checklist

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### Employee Data

- Employee details reviewed (TFN, DOB, address, employment status)
- Terminated employees reviewed
- Super fund details validated (fund name, member number, USI)

### Payroll Processing

- All pay runs completed and finalised
- Leave adjustments processed
- Back pays and allowance corrections completed
- Termination payments finalised

### Reconciliation

- Gross wages reconciled against general ledger
- PAYG withholding reconciled against BAS lodgements
- Superannuation reconciled against clearing house reports
- Leave balances reviewed

### Superannuation

- Super contributions paid early enough to clear before 30 June
- 12% Super Guarantee rate confirmed across all pay runs
- Qualified Earnings (QE) configuration reviewed for Payday Super
- SBSCH records downloaded before 30 June
- Alternative Payday Super-ready clearing house in place

### STP Finalisation

- STP reporting reviewed and variances resolved
- Finalisation event lodged by 14 July
- ATO acceptance confirmed
- Employees notified that income statement is available in myGov

### New Financial Year Preparation

- Award rates and minimum wages updated before first July pay run
- PAYG withholding tax tables updated
- Finance team briefed on Payday Super cash flow requirements
- Super payment process documented

### Record-Keeping

- EOFY reports downloaded and stored securely
- All payroll records retained (minimum 7 years)

### Common EOFY Mistakes to Avoid

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- Finalising STP before completing reconciliations.
- Paying super too late for it to clear before 30 June.
- Forgetting to process payroll adjustments and back pays before year end.
- Not reviewing terminated employees — ETP payments, unused leave payouts and reporting category errors are common issues.
- Assuming super clearing house totals match payroll — always reconcile.
- Waiting until Payday Super commences before reviewing payroll configuration and Qualified Earnings.
- Not downloading SBSCH records before the 30 June closure deadline.

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*A small amount of preparation before EOFY can significantly reduce compliance risk, minimise employee queries and ensure a smoother transition into the new financial year.*

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