



## e-News

Monday, 23rd March 2026

Newsletter No 188

# Qualifying earnings under Payday Super: what actually counts for super?



# PAYDAY SUPER

## QE - QUALIFYING EARNINGS

From 1 July 2026, super moves to a **Payday Super** model – calculated every pay run and due into employees' funds within **7 business days of payday**. Sitting underneath that timing rule is a new earnings base called **qualifying earnings (QE)**. If you run payroll or advise employers, getting your head around QE now will make the transition much smoother.

In simple terms, **qualifying earnings are the parts of an employee's pay that count for super** – mainly what they earn for their **ordinary hours of work**, plus related loadings, allowances, commissions, bonuses and paid leave that the ATO already treats as **ordinary time earnings (OTE)**.

## What's likely to be in

While we're still waiting on final ATO guidance, current design documents point to QE lining up very closely with today's OTE rules. In practice, that usually means:

- **Base pay for ordinary hours** (including over-award payments for those ordinary hours)
- **Shift loadings** that apply to ordinary hours (e.g. evenings or weekends on a standard roster)
- **Sales commissions and performance bonuses** linked to normal work, not losing a job
- **Allowances tied to doing the job**, such as site, dirt, height, freezer or first aid allowances, and **casual loading**
- **Paid annual leave, personal/carer's leave and long-service leave** while the employee is on paid leave (not when it's cashed out at termination)
- **Piece-rate payments** for work done in ordinary hours and **directors' fees**

If a payment is **currently treated as OTE**, it's a strong working example of something that's likely to be QE under Payday Super.

## What's likely to be out

On the flip side, some familiar "not OTE" items are also expected to sit **outside** qualifying earnings, including:

- **Overtime payments** – pay for hours beyond ordinary hours
- **Payouts of unused leave at termination**
- **Redundancy and certain other termination payments**
- **Genuine reimbursements** of work expenses
- **Non-cash fringe benefits** such as cars or housing provided instead of cash salary

These amounts may still matter for tax, payroll and reporting, but they generally won't form part of QE for super.

## What to do now

Between now and 1 July 2026, it's worth:

1. **Exporting your pay items** from payroll.
2. **Comparing each item to the ATO's current OTE list.**
3. Tagging items as **"QE – yes/no/uncertain"** so you can map them correctly when your software updates for Payday Super.
4. Flagging tricky allowances, bonuses or termination payments for **advice from your tax or super specialist.**

Getting your qualifying earnings mapping right now will make it much easier to calculate SG correctly on every pay run once Payday Super goes live – and will reduce the risk of costly clean-ups later.

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*This newsletter provides general information only and does not take into account your specific circumstances. It is not tax or financial advice. Please check the latest ATO guidance or speak with your tax, superannuation or financial adviser before acting.*

## In Other Bookkeeping\_BAS News...

**Can I Claim the GST on That page updated:** Some new information has been updated in relation to burns products, sunscreen products and waterproof bedding.

**Next BAS due date:** The next quarterly BAS for **Jan to March 2026**, is due by **28th April 2026 if lodging by paper**. If lodging via online services or your tax agent, then

the due date is **26th May 2026**.

**Next IAS due date:** The February 2026 Business Activity Statement is due by **23rd March 2026**.

**Next Super due date:** The Q3 2025-26 SG is due **by 28th April 2026**.

**Fuel Tax Rates July 2025 to 30 June 2026:** You need to use the FTR that applies on the date you purchased the fuel. Read more [here](#).

**ATO Super Clearing House to close:** The SBSCH is closing on 1 July 2026. Read [more here](#) from the ATO. Download super records before 30 June 2026.

**PayDay Super is now Law:** [Payday Super will begin 1st July 2026](#).

**PayDay Super Resources:** Find some resources from the ATO to help you get ready for Payday Super [here](#).

**Late Super Payment Offset no longer available:** Late payment offset (LPO) can't be used after [quarter ending 31 March 2026](#).

**Fixed Term Contract Information Statement:** There have been changes to the additional fixed term contract exceptions. [The Fixed Term Contract Information Statement was updated on 1 November 2025 to reflect these changes](#).

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### Payday Super Legislation is Now



### Navigating Annual Leave & Public Holidays – What

## Law: What Employers Need to Know

Payday Super starts on 1 July 2026. If you're an employer, this blog will help you understand how Payday Super will affect your payroll processes and cash flow.

## Employers & Employees Need to Know

Every year, as we approach the Christmas break, I like to remind employers and employees about their rights and responsibilities in terms of taking leave and how this relates to public holidays. This blog will address this issue and help you all plan your payroll for the upcoming festive season.

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