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Colonial
First State

Payday Super

Navigating the upcoming super changes

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Agenda

- Overview
- New contribution requirements and processes – what to look out for
- Other key changes and practical implications
- Your questions answered
- Next steps

Main changes

Contribution timing

Must pay Super Guarantee (SG) at same time as salary and wages

- no longer quarterly

Amount of contributions

New terminology – Qualifying earnings

Maximum Contribution Base changes

Super Guarantee Charge

New SG charge regime

Increased penalties

More flexibility for employers

STP and data standards

Single Touch Payroll reporting changes

SuperStream upgrades

Super funds

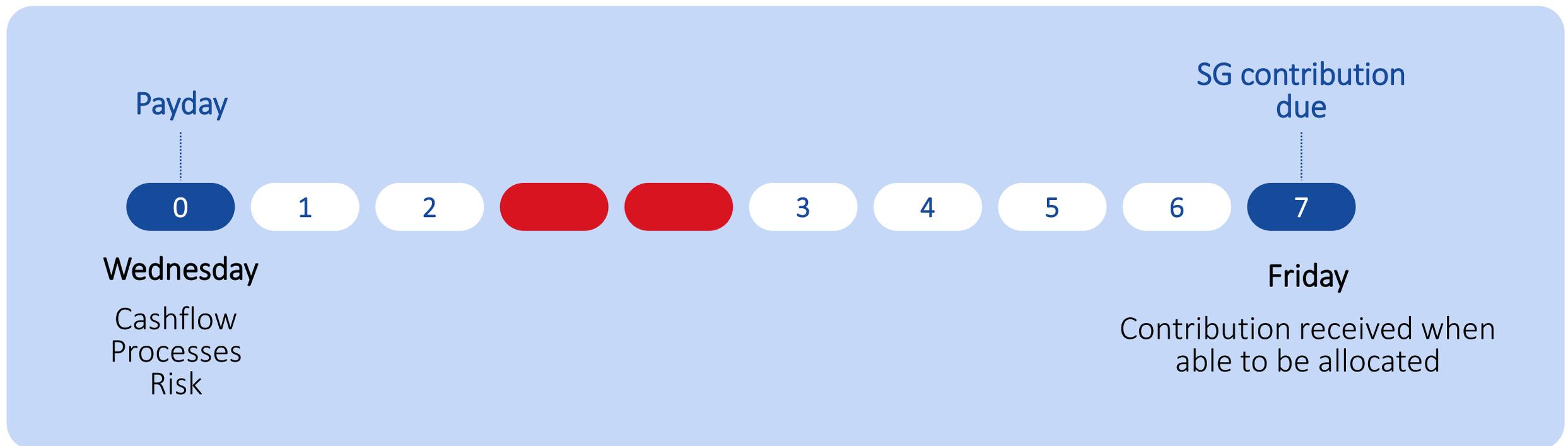
Reduced reporting and refund timeframes

Must be able to accept contributions via New Payments Platform

Contribution timing

From 1 July 2026

Must pay Super Guarantee (SG) at same time as salary and wages



Business days exclude weekends and public holidays that apply to whole of state or territory

Contribution timing

Longer time periods allowed in special circumstances

Special circumstances

Extended timeframe

First contribution for new employee

Within 20 business days of employee's first payday

Employee has chosen different fund

Within 20 business days of employee's next payday

Out of cycle payment

- e.g. commissions and back payments

Within 7 business days of employee's next payday that is not out of cycle

Exceptional circumstances affecting multiple employers

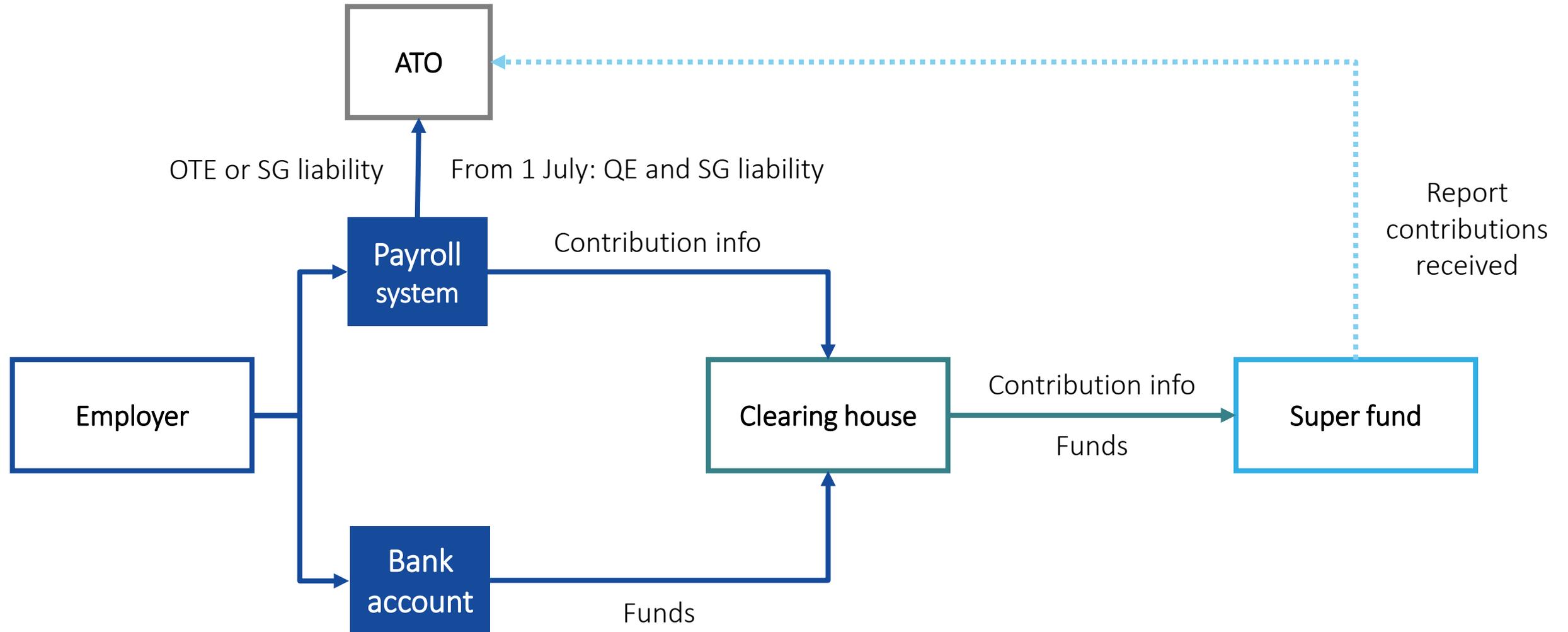
- natural disaster or widespread IT or communication systems outage

Within later of:

- 20 business days after current payday
- 20 business days after determination made

Batching rule: Extended period also applies where multiple payments due within extended period.

Contribution and data



Payments in Payday Super

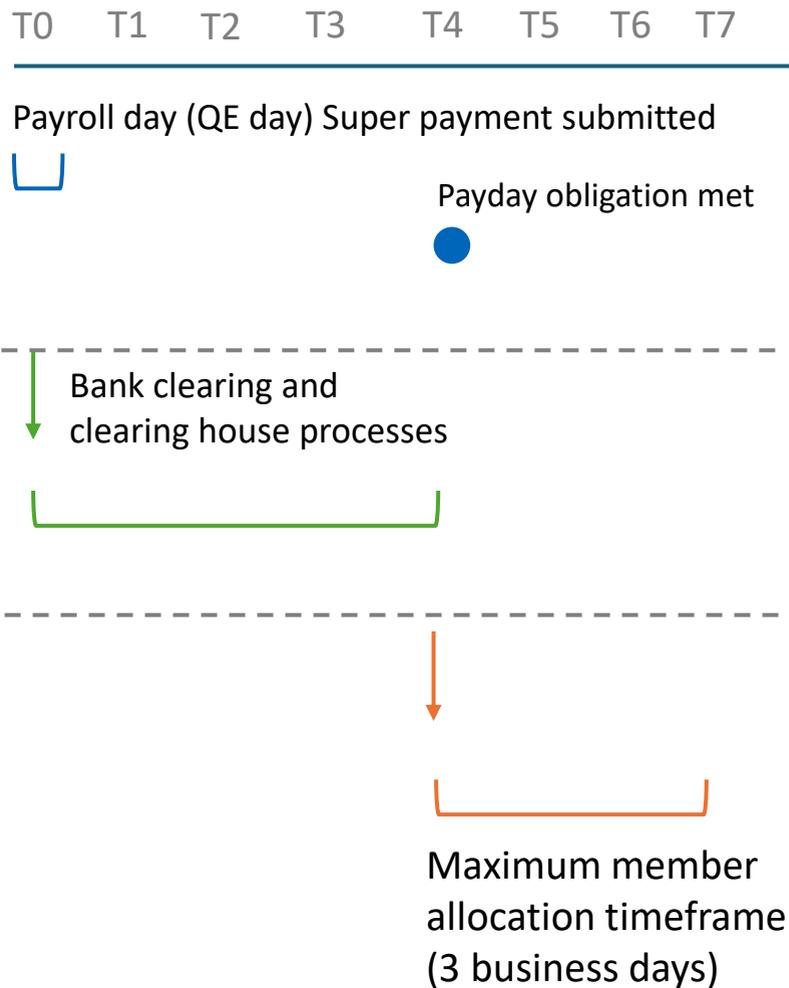
- Current payment methods will support you in Payday super
- In FY25, 99.78% of SuperChoice contributions were processed without refund
- SuperChoice will be in active review of refund rates and causes of refunds during the first year of Payday
- Specified scenarios allow 20 business day providing employers with additional time
- SuperChoice is continuing enabling new payments capability (NPP) across the platform



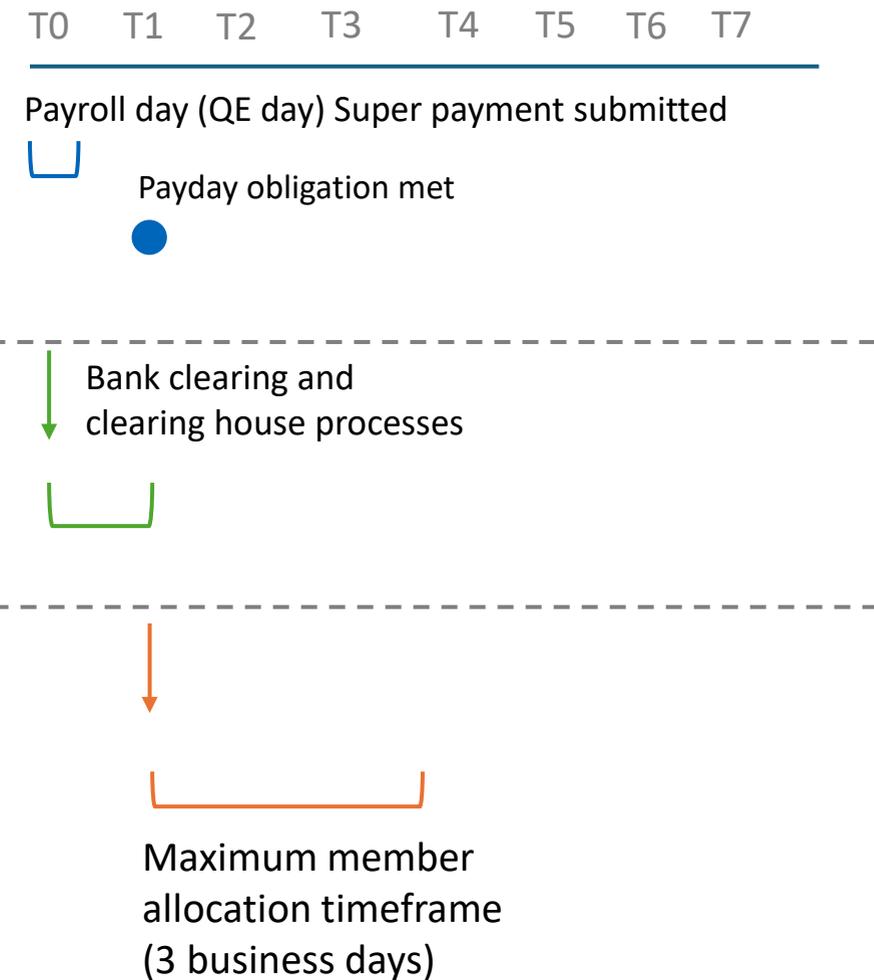
Scenario 7 day – No refund

Assumption: Super is paid on QE day. 99.78% of transactions are submitted without refund

Direct Debit



Direct Credit



Analysis on previous 12 months of refunds shows:

90%

of SuperStream refunds can
be prevented with MVR
solution in place

0.199% of the 0.22%

A new SuperStream message employers must use to validate that a fund* can accept contributions, prior to paying a contribution in certain scenarios e.g. First time contributions or change of fund.

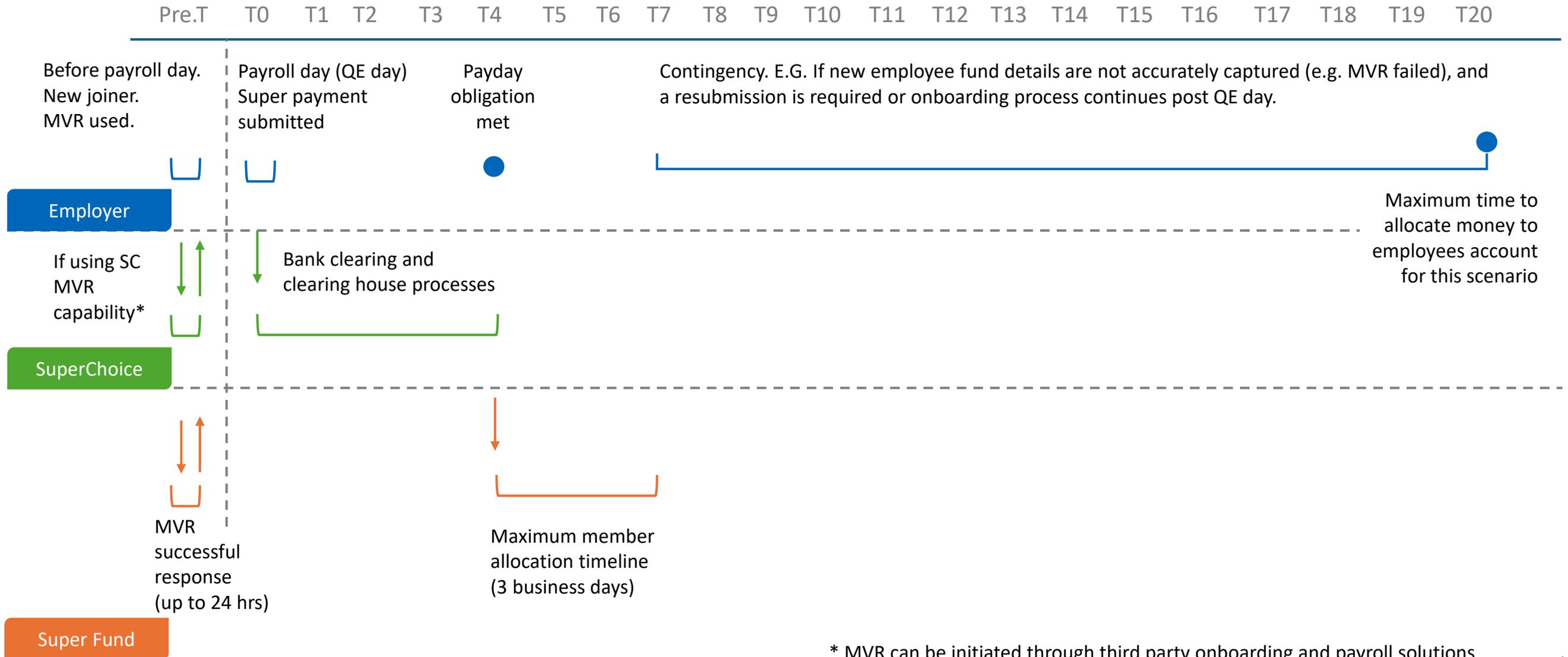
*Employers expected to implement MVR as soon as possible (from 1 July 2026). Transition for funds MVR adoption from 1 July 2026 to March 2027

Tip: Get it right at the source.

Using MVR with a Direct Debit payment



New joiner. MVR is expected to avoid 90% (or 0.199% of the 0.22%) of current refunds



SuperChoice recommends getting ahead of the proposed legislation dates



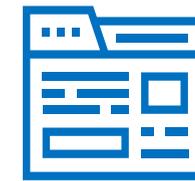
No change required to your Super file upload. Ensure payment details are accurate



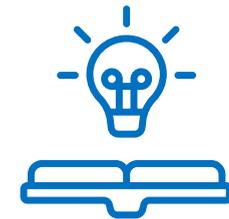
Align super payments to pay cycles and understand cashflow impact



Review your onboarding solutions and processes



Correct persistent data issues at source promptly



Familiarisation is key. Payment & Contribution Status Reporting is available.

New earnings base

SG liability = 12% of Qualifying Earnings (QE)

QE sum of:

- ordinary time earnings
- commissions
- salary sacrificed amounts
- earnings paid to workers falling under expanded definition of employee

No change for most employees

Maximum contributions base

Currently \$62,500 per quarter

Changing to:

- concessional cap / SG rate (\$250,000*)
- applied on annual basis
- QE reduced to nil once exceeds MCB

Impacts:

- period of year SG payable
- amount of SG liabilities

*Expected to increase to \$270,830 on 1 July 2026

Maximum Contribution Base

Case study

High income earner

Allan is senior executive and receives the following remuneration

- salary: \$500,000 (paid monthly)
- 12% super (paid quarterly)

Current rules

pre-tax salary:
\$41,667/month

SG:

- \$7,500/quarter
- \$30,000/year

New rules

SG paid with monthly pay

	QE	YTD	Super
July	\$ 41,667	\$ 41,667	\$ 5,000
August	\$ 41,667	\$ 83,333	\$ 5,000
Sept	\$ 41,667	\$ 125,000	\$ 5,000
Oct	\$ 41,667	\$ 166,667	\$ 5,000
Nov	\$ 41,667	\$ 208,333	\$ 5,000
Dec	\$ 41,667	\$ 250,000	\$ 5,000
Jan	\$ 41,667	\$ 291,667	\$ -
Feb	\$ 41,667	\$ 333,333	\$ -
March	\$ 41,667	\$ 375,000	\$ -
April	\$ 41,667	\$ 416,667	\$ -
May	\$ 41,667	\$ 458,333	\$ -
June	\$ 41,667	\$ 500,000	\$ -
Total	\$ 500,000		\$ 30,000

Maximum Contributions Base

Case study

High income earner

Alana is senior manager and receives the following:

- salary: \$200,000 (paid monthly)
- performance bonus: \$50,000 (paid in September)
- 12% super (paid quarterly)

Current rules

- Q1 Pay: \$100,000 (\$50k + \$50k) / SG: \$7,500
- Q2 Pay: \$50,000 / SG: \$6,000
- Q3 Pay: \$50,000 / SG: \$6,000
- Q4 Pay: \$50,000 / SG: \$6,000

Total:

Pay: \$250,000 / SG: \$25,500

New rules

SG paid with monthly pay

	QE	YTD	Super
July	\$ 16,667	\$ 16,667	\$ 2,000
August	\$ 16,667	\$ 33,333	\$ 2,000
Sept	\$ 66,667	\$ 100,000	\$ 8,000
Oct	\$ 16,667	\$ 116,667	\$ 2,000
Nov	\$ 16,667	\$ 133,333	\$ 2,000
Dec	\$ 16,667	\$ 150,000	\$ 2,000
Jan	\$ 16,667	\$ 166,667	\$ 2,000
Feb	\$ 16,667	\$ 183,333	\$ 2,000
March	\$ 16,667	\$ 200,000	\$ 2,000
April	\$ 16,667	\$ 216,667	\$ 2,000
May	\$ 16,667	\$ 233,333	\$ 2,000
June	\$ 16,667	\$ 250,000	\$ 2,000
Total	\$ 250,000		\$ 30,000

SG charge amount

Calculation

- Super Guarantee shortfall +
- notional earnings (GIC rate) +
- 60% admin uplift amount +
- any Choice uplift

Contributions within late period reduce shortfall

Voluntary Disclosure Statement pre assessment

- reduce admin uplift %

SG charge payment

Due from when assessment issued

- indexed at GIC

Late payment penalties apply

Amount tax deductible

- shortfall and notional earnings only

Super Guarantee Charge Example

Case study	Component	Current rules	New rules	If prompt action taken
Employee earning \$200k per year (paid monthly)	OTE/Qualifying Earnings	\$16,667	\$16,667	\$16,667
<ul style="list-style-type: none"> Salary: \$16,667 SG: \$2,000 	SG shortfall	\$2,000	\$2,000	Nil – assuming \$2k paid pre ATO assessment
SG charge payable if employer failed to pay SG for month of:	Notional earnings	\$82.19	\$18	\$18 ¹
<ul style="list-style-type: none"> June: current rules July: new rules 	Admin charge/uplift	\$20	\$1,211	\$3.60 ² – Assumes lodged VDS lodged pre ATO assessment
	Value of tax deduction	N/A	\$605	\$4.32
	Net charge	\$2,102	\$2,624	\$26

¹ Assumes paid 1 month after due date. ² Assumes 20% admin uplift as per draft exposure regulations

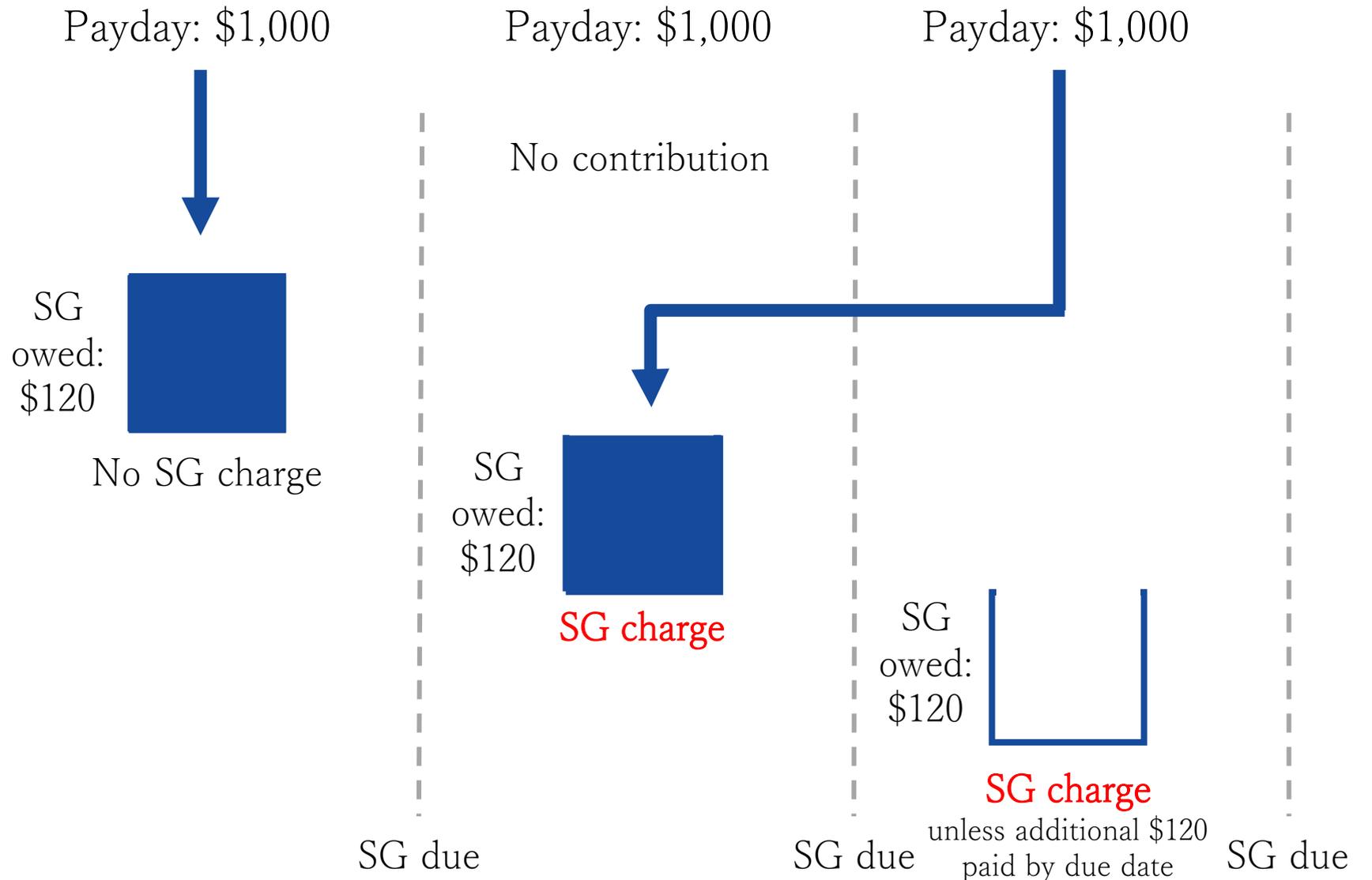
SG payment ordering

Payment ordering

Contributions applied in order they are received

Applied against current payday liability unless:

- **overpayment:** applied to future liabilities for up to 12 months
- **outstanding (unassessed) shortfall:** applied to reduce shortfall to nil first
 - series of breaches



July cross-over

Contributions for payments in June quarter

- due 28 July

Contributions for payments from 1 July

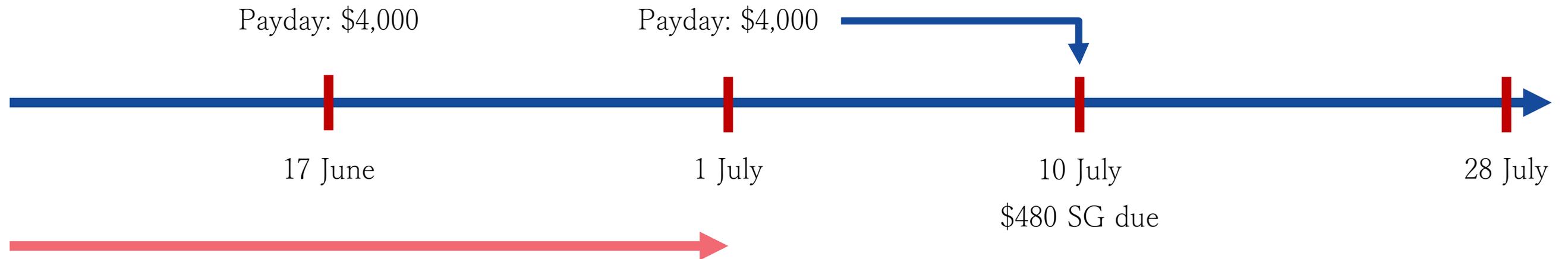
- due within 7 business days

Ordering rule

- contributions in July count against June quarter SG liability first
- inadvertent breach

Example

Gus earns base salary of \$104k p.a. (\$4,000 fortnightly) with last payday in 26 FY on 17 June



Total for quarter: \$26,000

SG of \$3,120 due 28 July 2026

If pay before quarterly liability?

Count towards \$3,120 quarterly liability first
Need to bring forward quarterly SG payment

Error messaging

Changes:

- more timely
- clearer
- standardised

Start from May/June

- opportunity to identify and fix errors pre 1 July

Member Verification Request

Check employee details valid and fund can accept contribution before contribution is made

Single Touch Payroll

Current

- report OTE or super liability

From 1 July

- report both QE and super liability

Important: ABN reported via STP must match ABN reported to the fund

Super funds

Refund rejected contributions within 3 days

Able to accept New Payment Portal

Support for you to get Payday Super ready

cfs.com.au/paydaysuper

- Payday Super webinar recording
- Checklist to help you get prepared
- Frequently asked questions
- ATO support
 - Cash flow kit
 - Clearing house checklist

