



Gamechanger: payday super laws to strengthen retirement for millions of Aussies

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Landmark payday super laws - released today for consultation - will be a gamechanger to stem a \$5 billion challenge in unpaid super and help millions of Australians retire with super they are owed.

“Crucial payday super laws will make the system fairer for both workers and businesses, so more workers are paid the super owed to them and businesses compete with each other on a level playing field,” said Super Members Council CEO Misha Schubert.

“We’ll swiftly work through implementation with other key stakeholders to keep this crucial legislation moving forward and passed.”

The laws will align the payment of super contributions with wages - instead of being paid only at least once a quarter - making it easier for workers to check they have been paid the right amount of super.

It will also make it easier for businesses to smooth out cashflows by paying super on payday - instead of having liabilities build up over several months and avoid time-consuming reconciliation processes.

Unpaid super costs Australians \$5 billion a year - with 2.8 million workers missing out on the super that should be paid to them under the law - and missing out on the compound returns on their super.

The reform would take effect from 1 July 2026 - three years from when it was announced in May 2023.

This simple change will mean almost 9 million Australians will get their super paid sooner - adding \$7,700 more at retirement - because the more frequent super contributions start to compound sooner.

It also prevents employers being undercut by businesses who deliberately underpay staff.

A November 2024 national survey of 3067 Australians found 74 per cent supported payday super - and the Super Members Council urges all parties and stakeholders to work swiftly to pass the reform.

“Paying super on payday will modernise the super system to stem underpayments for workers. This urgently needed reform will be fairer for both workers and employers,” said Ms Schubert.

“Unpaid super locks leaves people poorer when they retire - and a unified push is needed to fix it.”

“We’ll work closely with the Parliament, business leaders and other stakeholders to ensure these reforms are successfully implemented by 2026 - and we urge all parties to back the reform.”

“Millions of Australians pay the price every single day their super goes unpaid - they cannot afford any delay to the introduction of payday super.”

SMC analysis released in [a report on unpaid super in Australia found:](#)

- In one year, 2.8 million Australians missed out on \$5.1 billion in legal super entitlements (2021-22)
- Over 9 years, Australians have missed out on \$41.6 billion in unpaid super,
- The average affected worker missed out on \$1,800 in super in a year.
- Women, people in insecure jobs, and young workers are badly impacted by unpaid super at retirement.
- Workers in small and micro businesses are more likely to be underpaid super.

Unpaid super is a breach of the law which denies workers the right to save for retirement and can cost the average worker more than \$30,000 from their final retirement nest egg.

With digital payroll and single touch payroll reporting systems for all employers, many employers pay super more frequently than quarterly. As of 2020-21, 56% of small and medium businesses and one-third of micro business already make super payments more frequently than quarterly.



Table 1: 2021-22: Federal Electorates with the Worst Unpaid Super Records by amount of people underpaid

Electorate / State	People underpaid	Percentage of people underpaid	Average underpayment	Total unpaid super 2021-22 (\$M)
Lalor / Vic	29,000	29%	1,520	\$44.1
Mitchell / NSW	26,550	30%	1,630	\$43.3
Greenway / NSW	26,500	28%	1,640	\$43.5
Sydney / NSW	26,400	25%	1,990	\$52.6
Forde / QLD	25,500	28%	1,750	\$44.6
Parramatta / NSW	25,100	28%	1,800	\$45.1
McEwen / Vic	25,050	31%	1,780	\$44.7
Holt / Vic	24,950	29%	1,490	\$37.3
Melbourne / Vic	24,850	25%	1,820	\$45.2
Reid / NSW	24,300	26%	1,780	\$43.3
Kingsford Smith /	24,250	27%	1,830	\$44.3
Bennelong / NSW	24,050	27%	1,880	\$45.2
Macarthur / NSW	23,150	27%	1,680	\$38.9
Lindsay / NSW	22,950	28%	1,920	\$44.0
Gellibrand / Vic	22,850	28%	1,830	\$41.7
Hotham / Vic	22,800	27%	1,570	\$35.7
Brisbane / Qld	22,750	24%	1,950	\$44.5
Durack / WA	22,700	25%	2,010	\$45.6
Gorton / Vic	22,650	29%	1,640	\$37.1



Chifley / NSW	22,500	28%	1,920	\$43.3
Hume / NSW	22,450	29%	1,670	\$37.4
Fremantle / WA	22,400	27%	1,920	\$43.1
Cowan / WA	22,300	26%	1,940	\$43.3
O'Connor / WA	22,300	29%	1,840	\$41.0
Werriwa / NSW	22,150	28%	1,900	\$42.1
Aus total	2.8 million	26%	\$1,810	\$5.1 billion

Source: Super Members Council analysis of ATO 2 per cent sample file, 2021-22, and ABS data.