



PAYDAY SUPER

Compliance
Risk Drift

How employers **move**
from low to medium risk
under Payday Super.

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01.

Introduction



Purpose of This Guide

Most employers do not set out to be non-compliant.

Under Payday Super, many businesses will meet their obligations in principle, yet still experience elevated compliance risk due to small timing assumptions, process gaps, or slow remediation that compound across multiple pay cycles.

From 1 July 2026, the ATO's approach to Payday Super compliance places greater emphasis on patterns of behaviour over time, not just one-off errors. This means employers can move between risk categories, including from low to medium risk, without a single major failure occurring.

This guide explains how that shift commonly happens, so payroll and finance teams can identify early warning signs and address them before risk escalates.



Understanding The “Risk Drift”

Under the ATO’s Practical Compliance Guide for Payday Super, employers are not assigned one fixed risk rating for the year.

Risk is assessed continuously based on:



Payment behaviour
over time



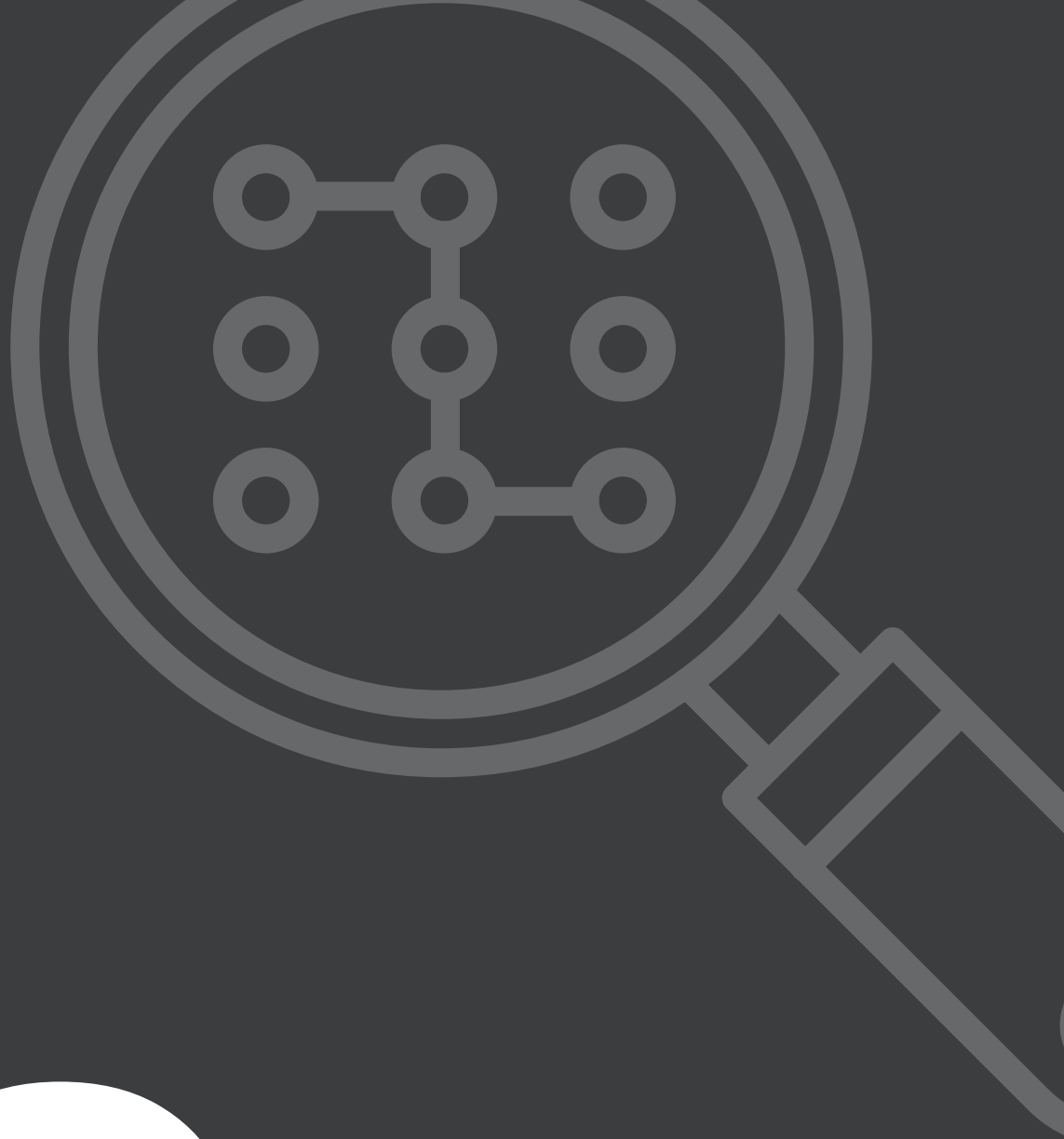
Speed of correction
when issues arise



Strength of systems,
controls, and
documentation

IMPORTANT!

- ✓ A single shortfall does not automatically increase risk
- ✓ Repeated or slowly corrected issues can elevate compliance risk over time
- ✓ Strong intent alone is not enough — controls must support it



02.

“Risk Drifts” : The Patterns

Pattern #1

Treating Early Delays as “Teething Issues”

In the early months of Payday Super, some employers anticipate disruption and allow minor timing issues to persist longer than intended.

This can include:



Super paid slightly later than planned, but repeatedly



Rejected contributions fixed eventually, not immediately



Manual corrections made without reviewing root causes



“While individual instances may seem minor, repetition without adjustment can indicate weak timing discipline, increasing risk over time.”

Pattern #2

Initiating payment on payday, without accounting for processing reality

Some employers believe they are compliant because super is initiated on payday. However, under Payday Super, compliance depends on when contributions are received by the employee's fund, not when payment is sent.

Risk can emerge when:



Clearing house processing times are underestimated



Payments are initiated late in the business day



Public holidays or batch cut-offs compress the timeline



“These issues are operational, not legal but they are visible in payment data.”

Pattern #3

Fixing shortfalls, but too slowly to signal low risk

Under the ATO's framework, speed of correction is a key signal.

Employers may drift into medium risk when:



Shortfalls are identified but left unresolved for weeks



Issues are batched and fixed at quarter end



Remediation relies on manual follow-up rather than system alerts



From a compliance perspective, delayed correction suggests that exception handling is reactive, not embedded.

Pattern #4

Assuming service providers absorb compliance responsibility

Payroll software, clearing houses, and outsourced providers play an important role, but employer responsibility remains unchanged.

Risk increases when:



Rejections are not visible to the employer



Responsibility for follow-up is unclear



Alerts are received but not actioned promptly



Lack of oversight, even with reputable providers can weaken a low-risk profile.

Pattern #5

Allowing documentation gaps to form

Even when issues are resolved, poor documentation can elevate compliance attention.

Common gaps include:



No written explanation for a timing delay



No evidence of preventative changes



Inconsistent records across Payroll, Finance and HR



Under increased ATO visibility, employers may need to demonstrate control and intent, not just final outcomes.



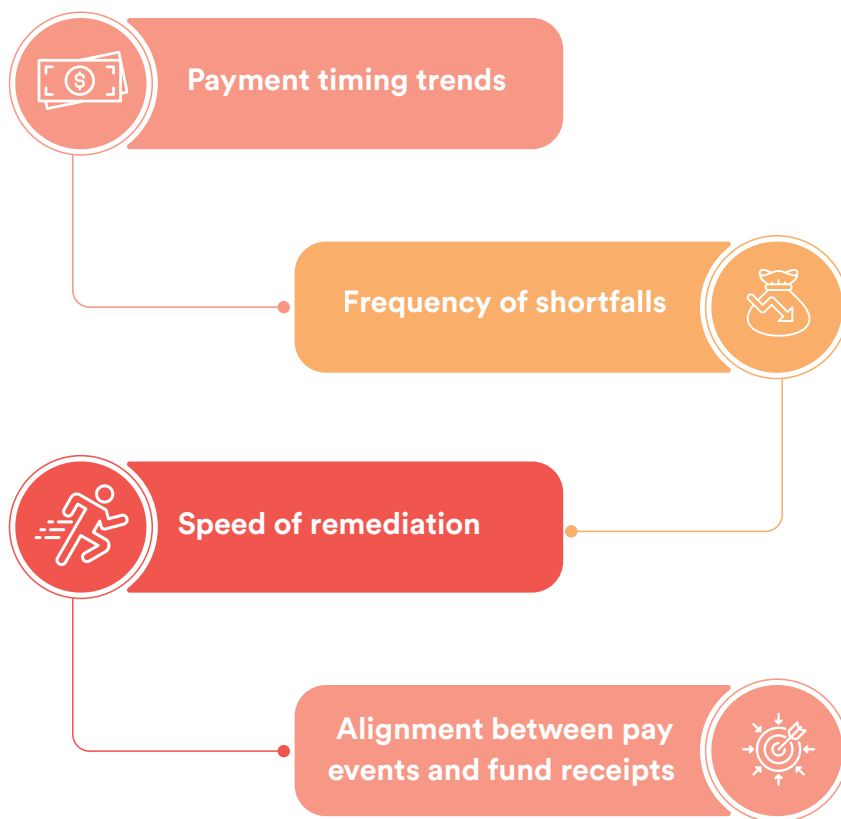
03.

**How Risks Becomes Visible
to Regulators**

How the ATO Sees Risk

From 1 July 2026, Payday Super is supported by enhanced data matching through Single Touch Payroll, giving the ATO clear visibility into employer payment behaviour over time.

This includes:

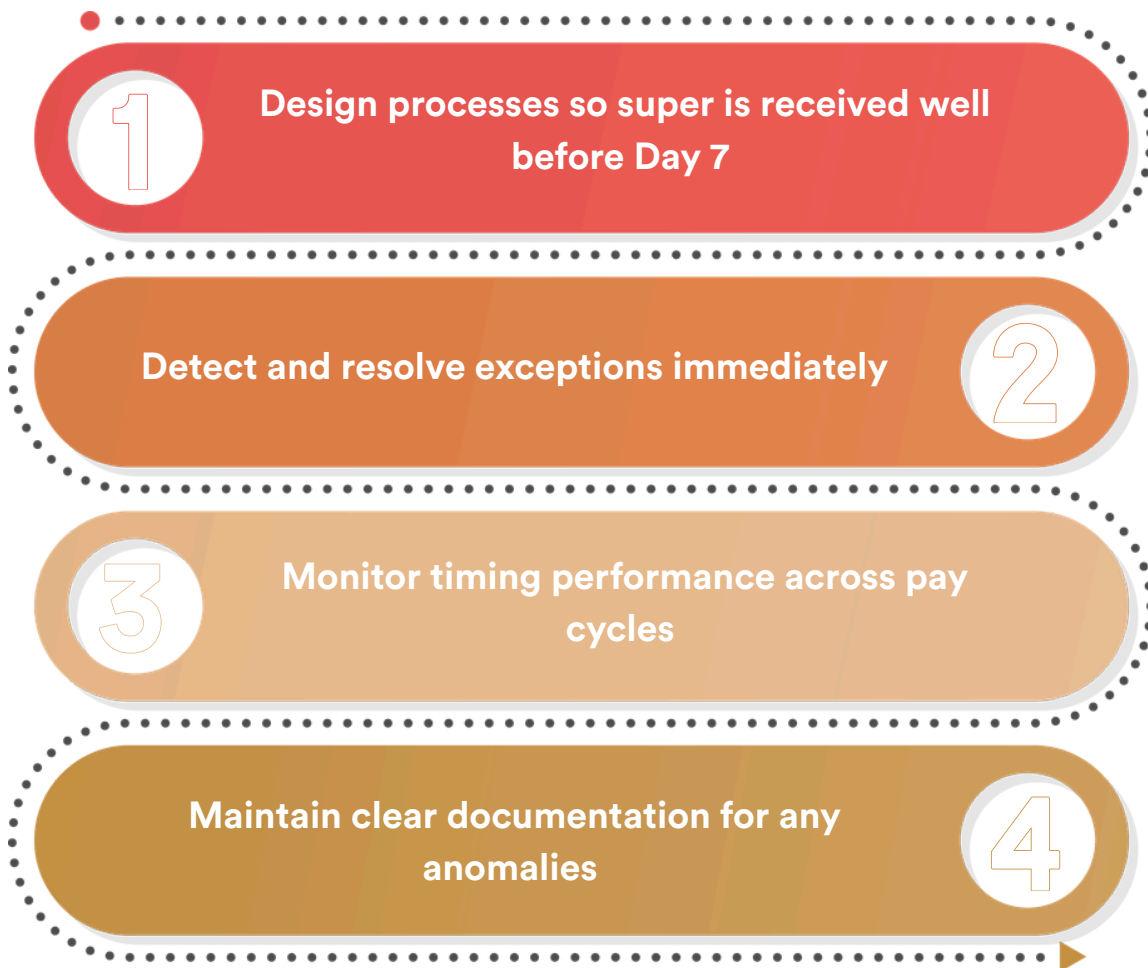


WHAT MATTERS IS NOT PERFECTION, BUT PATTERN AND RESPONSE

Employers typically move out of the low-risk zone when timing issues repeat, corrections are slow or inconsistent, or controls appear informal or undocumented — even where there is no intent to underpay.

What Low Risk Looks Like

Employers most likely to remain low risk are those who:



THESE BEHAVIOURS SIGNAL CONTROL AND RELIABILITY

They distinguish employers who manage Payday Super proactively from those whose compliance is assessed after issues arise.



04.

About Polyglot Group

How Can We Help You?

At Polyglot Group, we'll ensure your business is fully prepared for Payday Super in a clear, supportive and practical way.

Here's how we do it:

01

Understand Your Current Process

This allows us to see timing issues, delays, or bottlenecks — and what might cause problems once Payday Super begins.

Identify Risks & Gaps

This includes timing risks, workflow limitations, system configuration issues or areas where teams may need clearer handovers.

02

03

Strengthen Your Workflow

We work with you to strengthen your process, align your teams and ensure every part of your workflow supports the new rules from Day One.

Meet our Experts



Xavier Heyman

Head of Corporate Services



Claire Denut-Samuels

Global Head of HR Services



Marshall Deng

Senior Payroll Manager

Be ready before 1 July 2026!

Avoid penalties, delays, and unnecessary stress.

Book a Consultation

Disclaimer

A decorative orange brushstroke graphic in the top right corner, consisting of several overlapping loops and lines that resemble a stylized 'P' or a calligraphic flourish.

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