



## Qualifying earnings explained for super funds

From 1 July 2026, employers will calculate super using qualifying earnings instead of ordinary time earnings.

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From 1 July 2026, employers will move from calculating super contributions based on [ordinary time earnings \(/businesses-and-organisations/super-for-employers/paying-super-contributions/how-much-super-to-pay/list-of-payments-that-are-ordinary-time-earnings\)](#) (OTE) to [qualifying earnings \(/businesses-and-organisations/super-for-employers/payday-super/paying-super-on-payday/what-payments-are-qualifying-earnings\)](#) (QE). While this is a calculation change for employers, it has important operational impacts for your fund.

The move to QE underpins the broader shift to Payday Super and drives changes in contribution frequency, data quality and processing timeframes.

From 1 July, employers are responsible for super to (generally) reach super funds within **7 business days of payday**, calculated on the QE amount. As a fund, you will have **3 business days (down from 20 days)** to allocate or return contributions that cannot be allocated.

### What this means for your fund

Funds can expect:

- increased reporting frequency aligned to pay cycles
- a broader range of earnings types supporting contribution calculations
- closer alignment between reported earnings and paid contributions through Single Touch Payroll (STP).

These changes will result in higher transaction volumes aligned to pay cycles for funds,

greater reliance on STP data for the ATO and an increased importance of data quality and member matching.

Prepare now, review your system readiness, engage with administrators and service providers and ensure reconciliation processes can support the increased payments. Additionally, review your allocation processes so everything is running smoothly before 1 July.

The move to qualifying earnings is primarily a calculation change for employers, but it reinforces the importance of accurate, timely and complete data across the super system.

For more information check our [QE page \(/businesses-and-organisations/super-for-employers/payday-super/paying-super-on-payday/what-payments-are-qualifying-earnings\)](/businesses-and-organisations/super-for-employers/payday-super/paying-super-on-payday/what-payments-are-qualifying-earnings) and [factsheet \(https://www.ato.gov.au/api/public/content/62742ead21de47fabb842d9a36b66ad2?v=a1d1cc85\)](https://www.ato.gov.au/api/public/content/62742ead21de47fabb842d9a36b66ad2?v=a1d1cc85).

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