

## Xero Auto Superannuation Payments

To make your super payments more efficient, you can use Xero to create auto super batch payments directly out of Xero, which will direct debit your bank account and credit your employees' super funds.

After employee pay runs have been processed, the super payments can be submitted through Xero's Auto Super, which will then send a code to an approved authoriser (normally the business owner or manager) via a text message. That code then needs to be entered into Xero to authorise the payment (similar to multi-factor authentication). Once approved, payments will be automatically deducted from your nominated bank account and sent to the super funds (Note: ensure your account has sufficient funds first).

### Before you start

You must have Payroll admin rights to access this area in Xero

### Register for auto super

First, make sure you've set up a bank account in Xero for your auto super direct debit payments and activated a bank feed for the account. Bank feed activation can take up to 10 business days.

The bank account you nominate for auto super must meet the following requirements:

- The account must be an Australian bank account
- The account name must match the bank account name on your bank statement
- The bank account details must follow this format: BSB: 000-000 Account Number: 000000000
- The account number shouldn't contain any spaces, dashes or special characters

If you've already set up a bank account, you can edit it to meet these requirements.

Then, you'll need to nominate an authoriser to approve the super payments:

- In the **Payroll** menu, select **Superannuation**
- Click **Get started**
- Check your organisation's ABN and Legal/Trading Name are correct, then click **Next**
- Select an authoriser and enter their mobile number. The authoriser must be an existing user with payroll admin access, then click **Next**

- Select a bank account to make direct debit payments for super, then click **Next**
- Review and agree to the terms and conditions, then click **Register**

## Adding super fund details into Xero

If not already in Xero for current payroll purposes, you will need to set up the relevant regulated employee super funds in Xero and ensure your Xero employee records are up to date.

### Add a regulated super fund

1. In the **Payroll** menu, select **Payroll settings**.
2. Select the **Superannuation** tab.
3. Click **Add Superannuation Fund**.
4. Under **Name**, start typing the fund name or USI, then select from the list of funds. Note: Don't include any spaces when entering the USI.
5. Click **Add**.

Or

### Add a self-managed super fund

1. In the **Payroll** menu, select **Payroll settings**.
2. Select the **Superannuation** tab.
3. Click **Add Superannuation Fund**.
4. Under **Type**, select **Self Managed Super Fund**.
5. Enter the name of the fund and its ABN.
6. Enter the **Electronic Service Address Alias**. It can be up to 16 alphanumeric characters.
7. Enter the fund's bank account details, then click **Add**.

## Review of employee records

Once the super fund details have been added, you will need to assign superannuation fund details to your employee/s

1. In the **Payroll** menu, select **Employee**.
2. Choose employee name
3. Select **Employment** Tab
4. Scroll down the page, checking details are correct, to add the employee's superannuation details, click **Add a superannuation membership**
5. Select their fund you have entered in the previous step and enter their member number, then click **Add**

Note: if old or incorrect super details already existed, do not click **Add a superannuation membership**, Select **Update** and enter new details.

## Create a super payment batch

Until 30 June 2026, employer superannuation contributions must be paid within 28 days of the end of the quarter. As of 1 July 2026, employee super fund payments must be made on the **same day** as the employee is paid their net pay and the funds must be received and receipted by the employee's nominated Super Fund within 7 business days of the payroll payment date.

### To process super at the same time as paying wages:

1. Pay your employees.
2. In the pay run, click **Make payment**, then select **Pay superannuation**.
3. Select the super accruals to include in the payment batch.
4. Click **Submit for Approval**.

### To process super at a later time:

1. In the **Payroll** menu, select **Superannuation**.
2. Click **Add Super Payment**.
3. Select the super accruals to include in the payment batch.
4. Click **Submit for Approval**.

The nominated authoriser for your organisation will then receive an SMS from Xero containing the authorisation code, along with an email confirming that the code has been sent by SMS. The code is valid for 24 hours.

The super payment batch status shows as **Pending Approval** until the authoriser approves the payment.

Once the nominated super authoriser receives the authorisation code, they need to enter it in Xero to approve the super payment batch:

1. In the **Payroll** menu, select **Superannuation**.
2. Click the pending approval batch.
3. Review the list of payments included in the batch.
4. Click **Approve**, then enter the authorisation code when prompted.
5. Click **Approve & Submit**.

## Processing times for super payments

Once the automatic superannuation payment has been approved, the direct debit is usually processed overnight or the next business day, but the funds may take up to 7 business days to be received and confirmed by the employee's super fund.

Once the super fund provider receives the payment, the batch status in Xero updates to Paid. While the batch status may show as **Paid**, which indicates that the super fund has successfully received the funds, the contributions may not appear in the employee’s super account straight away. It is at the discretion of the super fund to allocate contributions to a member’s account once they’ve been successfully credited by the super fund provider.

The table below is the indicative processing timeframes provided by Xero.

Timing	Action	Status in Xero
Business day 0	Batch is approved by the authoriser. SuperChoice starts processing the direct debit from the nominated bank account.  If the auto super batch is approved after the banking cut-off of 4pm AEDT, the direct debit will be processed on the next business day.	Approved, pending processing
Business day 1	SuperChoice matches payment to data.	Approved, pending processing
Business day 2-4	Standard clearance period of 3 Banking Days to protect against dishonours.	Approved, pending processing
Business day 4-7	On Day 4, SuperChoice sends the payment to the super fund. The super fund then processes the contribution which may take a few days.  Employers should allow at least 7 business days when making payments to ensure sufficient time for super funds to process the contributions, especially ahead of superannuation guarantee cut-off dates.	Paid

## Reconcile super payments

To reconcile the bank transaction for the super payment, allocate it to your organisation’s superannuation payable account:

1. On your organisation’s homepage in the bank account used for your super payments, click **Reconcile items**.
2. Next to the superannuation payment transaction, select the **Create** tab, then:
  - In the **Who** field, enter the name of the super fund if processed individually, or PayClear Services or SuperChoice, depending on setup.
  - Next to **What**, select your organisation's **Superannuation Payable** account
  - In the **Why** field, enter a description “Payroll Date/Period”
3. Click **OK** to reconcile the transaction.