Australian Government
Australian Taxation Office

# Tax and super obligations of NDIS participants

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Superannuation and Employer Obligations

Australian Taxation Office

# Self-management of your NDIS plan

**Are you employing your support workers?**

- The National Disability Insurance Scheme (NDIS) allows participants to self-manage all or part of your budget. It gives you the flexibility and choice to decide what supports you buy to pursue your plan goals. This includes being able to hire your own support workers directly, without using an agency or third party.
- Where you hire a support worker directly, that person may be classified as your employee. This will depend on your specific facts and circumstances, and the agreements that you put in place.
- Being an employer requires you to accept certain legal and regulatory responsibilities. If your support workers qualify as your employees, this may includes requirements to:
  - withhold tax from payments made to them, and
  - make Superannuation Guarantee (SG) payments on their behalf.
- There are general principles which are used to determine if your support workers are employees or independent contractors. There are also special rules that can deem an independent contractor to be an employee, or exclude a worker from being considered to be an employee, for SG purposes.
- The ATO provides guidance on the difference between an employee and an independent contractor.

**So how do you know if your support worker is your employee or an independent contractor?**

# Employee or independent contractor

**General rules**

- You are responsible for classifying your worker for tax and super purposes and it's important that you get it right or penalties could be applied.
- To check if your support worker is your employee or an independent contractor, you need to review the whole working arrangement. You do this by reviewing the legal rights and obligations in the contract you entered into with your support worker.
- Key factors determining whether a worker is an employee or contractor:
  - Who is in **control**?
  - Is the support worker **integrated** into your business? *(Alt suggested wording: Is the worker part of your business?)*
  - How is the support worker **remunerated**? *(Alt suggested wording: How is the worker paid?)*
  - Can the support worker **have someone else complete the work** they've been engaged to do?
  - Does the support worker **generally provide the equipment, tools, or anything else they need** to complete the work?
  - Who **bears the risks** if the work is not carried out, or carried out poorly?
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# Special rules – Superannuation Guarantee

**Is the contract mostly for a person's labour?**

- In certain circumstances you must make super payments for contractors who are deemed to be employees for super purposes.
- This includes where you have engaged a support worker **wholly or principally for that person's labour**. We would consider this from your perspective (and what you have asked a support worker to do).
- You have not engaged your support worker for their labour if they are free to either do the work themselves or to employ someone else to do that work on their behalf, or if you have engaged them to achieve a specific result.

**Is the work of a domestic or private nature?**

- A support worker is not your employee if the work they do is **wholly or principally of a domestic or private nature** and is **not for more than 30 hours per week**. You do not need to make super payments in relation to this work.
- Work is deemed to be of a "private" nature if it relates to the employer as a private person. This would include if you employed a person to support you outside of your home.
- If you are running a business, a support worker can provide minor help with this business and still not be your employee, as long as the majority of the work is still of a domestic or private nature.

# Microboards

**Does a microboard have the same responsibilities as an NDIS participant?**

- A microboard is a small group of people who come together formally to support a person with a disability. The group forms an incorporated association for the benefit of that person.
- If a microboard engages a support worker on your behalf, the microboard will be responsible for meeting tax and super obligations in relation to that support worker.
- Generally, the rules which apply to determining whether a support worker is an employee or independent contractor do not change. We would still need to understand the contractual terms, and the rights and responsibilities of each party.
- Importantly, if a microboard **is** determined to have an employee, it may have additional obligations in relation to that worker. This would depend on what kind of entity the microboard incorporated as.

# What are your responsibilities if you have an employee?

**Pay As You Go (PAYG) withholding**

- If your support worker is an employee, you have to work out the amount of tax to withhold from payments you make to them. You will need to register for a PAYG withholding account with the ATO so you can send the tax directly to us, and we'll give you a **Withholding Payer Number**. This must be done **before** you pay your support worker for the first time.

- If you need to withhold tax from the payments you make to your support workers, you can use the ATO's **tax withheld calculator** to work out how much tax you need to withhold.

- You generally don't need to withhold tax from payments you make to contractors, unless there is a voluntary agreement with that contractor to withhold tax.

**Superannuation payments**

- If your support worker is an employee, or they are a contractor who meets one of special rules which means they are your employee for super purposes, you may need to make super payments to their chosen super fund or retirement savings account on their behalf.

- The current super guarantee rate is 12%, and is calculated on ordinary time earnings. You can use the ATO's ***Super guarantee contributions calculator*** tool to help you work out the super guarantee amount to pay to your employee's super fund.

- If you do not pay your employees super on time, you may also need to pay super guarantee charge.

# What are your responsibilities if you have an employee?

**Single Touch Payroll**

- If your support worker is an employee, you may also have to report under **Single Touch Payroll (STP)**. Under STP, you need to give us information about what you pay your employees at the same time you pay them.
- Special rules apply for NDIS participants. Where you hold a Withholding Payer Number (WPN) – that is, where you don't need an ABN – you are exempt from STP.
- There are also certain exemptions which may apply if you do need an ABN.
- If you have an STP obligation, you will need to have:
  - STP-enabled software that you can use to report to us. You can find a range of no-cost or low-cost options for STP products on the ATOs website. Visit our **Product Register** and search for "free" in the search bar.
  - finalise your STP data at the end of the financial year. This means you need to declare that you have completed your reporting for the financial year.
- Even if you are exempt from STP report, you may still need to give your employee a payment summary at the end of the financial year, generally by 14 July, and send us an annual report.

# Payday Super changes coming on 1 July 2026

**Qualifying Earnings**

- Qualifying Earnings (QE) is **a new concept under Payday Super**. QE includes:
  - ordinary time earnings (OTE), the current base for calculating super guarantee contributions
  - all commissions
  - salary sacrifice super contributions
  - the labour component of payments to a contractor who is an employee for super purposes
  - other amounts which are currently included in an employee's salary or wages for super guarantee.
- Employers will be **required to pay 12% of QE** to meet their minimum super guarantee obligations.
- **QE does not include** payments to someone who is **performing work of a private or domestic nature** and working **no more than 30 hours per week.**
- **For many employees, Qualifying Earnings will equal OTE.**
  - Visit **ato.gov.au/QE** for more information.

# Payday Super changes coming on 1 July 2026

**Single Touch Payroll (STP)**

- **Report both Qualifying Earnings (Q)** and **Superannuation Liability (SL) via STP enabled software.**

- **Contractors:**
  - Reporting remains **optional under STP**
  - If they are **voluntarily reported, QE and Superannuation Liability must be reported**

**Small Business Superannuation Clearing House (SBSCH)**

- The SBSCH will **close permanently from 1 July 2026**.

- If you currently use the SBSCH you will need to **transition to an alternative service for Payday Super**.

- If you use a **payroll software provider**, **many already include super payment functionality** in their software.

- You can also use the SuperStream Product register **to find approved alternatives**.

- **Download SBSCH historical data** before 30 June 2026.

- Visit ato.gov.au/SBSCH for more information.

# Payday Super changes coming on 1 July 2026

## New rules for when super contributions are due

- From 1 July 2026 employers will be required to **make super contributions on payday**.
- Contributions will generally need to **arrive in your employees' super funds within 7 business days** of making payments of Qualifying Earnings. The 7 business day timeframe **also applies to contractors** who are entitled to super.
- There are some **exceptions to the standard 7 business** day rule for contributions which provide an employer **an extended due date for the contributions to reach the super fund.** These include:
    - The **first time** paying a super contribution for a **new employee.**
    - Paying for the first time when an **employee changes their fund.**
    - The ATO has issued **an exceptional circumstances determination** e.g. due to a natural disaster.

## Redesigned super guarantee charge

- The super guarantee charge has been redesigned to incentivise employers to **pay the full amount of super** for their employees **on time**.
- Unlike in the current quarterly system, if you **haven’t received an assessment from the ATO**, you should **pay any late contributions to your employee’s super fund**.
- For the most up to date Payday Super information, resources, updates and guidance, head to [ato.gov.au/paydaysuper](ato.gov.au/paydaysuper)