



# Members Update

Dear member,

Welcome to the December 2019 member's update.

This month we look at a number of changes that have recently come into play or will be changing early in 2020 as well as a couple of other items that have been of interest lately.

**Timeline of recent and upcoming future changes affecting payroll personnel:**

Legislation/Change	Effective date	Impact on payroll												
Treasury Laws Amendment (2019 Measures No. 2) Bill 2019	1/7/2019	Employees aged over 65 may now be eligible to receive the tax concessions associated with genuine redundancy payments. Effective 1/7/2019, the aged based limit of "65" has now been amended to "pension age" – pension age is dependent on the employee's date of birth and will increase over time.												
FWC Penalty rates changes for casuals in Retail Award	1/10/2019	For more information, click on the following link: <a href="https://www.fairwork.gov.au/library/k600572_penalty-rate-changes-in-the-retail-award">https://www.fairwork.gov.au/library/k600572_penalty-rate-changes-in-the-retail-award</a>												
Holidays and Other Legislation Amendment Bill 2019 (QLD)	2019	Tuesday 24 December - Christmas Eve (from 6pm to midnight) – has been declared a public holiday in QLD (like SA and NT). As such "part-day public holiday" provisions in many modern awards will apply												
Treasury Laws Amendment (2019 Tax Integrity and Other Measures No. 1) Bill 2019	1/1/2020	Effective 1/1/2020, employers will be required to make SG contributions on the employee's pre-reduced OTE in the case where an employee has entered into an effective salary sacrifice superannuation arrangement.												
Child Support Protected Earnings	1/1/2020	The following rate applies from 1 January 2020: Weekly rate                   \$378.53 Fortnightly                   \$757.06 (weekly rate x 2) Four week period           \$1,514.12(weekly rate x 4) Monthly period               \$1,645.93(daily rate x 30.4375)												
The Pay-roll Tax Assessment Amendment (Thresholds) Bill 2019  Western Australian Payroll Tax threshold proposed increase	*Bill yet to receive royal assent and will come into play on the day it receives Royal Assent	<table border="1"> <thead> <tr> <th>Period</th> <th>Payroll tax -Annual Threshold</th> <th>Payroll tax -Halfyear Taxable Threshold</th> <th>Payroll tax -Half-year Upper threshold</th> </tr> </thead> <tbody> <tr> <td>1 July - 31 December 2019</td> <td>\$850,000</td> <td>\$425,000</td> <td>\$3,750,000</td> </tr> <tr> <td><b>1 January - 30 June 2020</b></td> <td><b>\$950,000</b></td> <td><b>\$475,000</b></td> <td><b>\$3,750,000</b></td> </tr> </tbody> </table>	Period	Payroll tax -Annual Threshold	Payroll tax -Halfyear Taxable Threshold	Payroll tax -Half-year Upper threshold	1 July - 31 December 2019	\$850,000	\$425,000	\$3,750,000	<b>1 January - 30 June 2020</b>	<b>\$950,000</b>	<b>\$475,000</b>	<b>\$3,750,000</b>
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4 Year Annual Review (FWC)	4/2/2020	Changes to Modern Awards – to see if your Award is one that will change, click on the following link and look in the column "Future Awards" - <a href="https://www.fwc.gov.au/awards-and-agreements/awards/modern-awards/modern-awards-list">https://www.fwc.gov.au/awards-and-agreements/awards/modern-awards/modern-awards-list</a>												

A few that appear to be “missing” from the above table:

**Personal leave case – 26/8/2019.**

I think enough has been said about this decision but just a brief recap on the key concepts:

- **Full-time and part-time employees get 10 days of sick and carer’s leave** for each year of employment.
- **A day is deemed to be the ordinary hours in a 24hr period** (so this could be 7.6, 8, 9, or even 10 maybe 12 hours under some Awards/Agreements)

Whilst we can all appreciate what an administrative (and in many cases impossible) nightmare this is, it is, in fact, the law until an appeal is heard which will either dismiss or uphold the decision in the Mondelez case.

Fairwork have updated their website which will answer many of your questions.

Click here to view more:

[https://www.fairwork.gov.au/library/k600601\\_paid-sick-carer-s-leave-frequently-asked-questions](https://www.fairwork.gov.au/library/k600601_paid-sick-carer-s-leave-frequently-asked-questions)

## **Annualised salaries – March 2020.**

We receive many queries about this change to Modern Awards and until such time the actual clauses will be inserted in the Awards we can offer the following information:

- Model clauses will be inserted into Modern Awards to provide for annualised salary arrangements
- Depending on the Award, one of 2 Model clauses will be used – these clauses have been applied to Modern Awards on the basis of whether employees in the industry have reasonable stable hours or highly variable hours.
- There is a requirement for an agreement to be reached with an employee before an annualised wage arrangement is introduced in circumstances where the working hours of work are highly variable
- Employers will need to keep time and wages records
- Employers will need to perform annual reconciliations to ensure that the employee has received at least what they would have had they been paid as per the Award
- The annualised salary arrangement will need to stipulate the “outer limits” for penalties and overtime

## **SG Amnesty.**

Bill is still before Senate.

## **Backpacker tax case.**

You may have become aware of a recent case where a backpacker successfully won her case to be treated as an Australian resident for tax purposes and not be taxed at per the backpackers tax rates – the reason being that Australia has a number of “taxation Agreements” with foreign countries that do not allow for foreign employees from those countries to be discriminated against for PAYG purposes. Meaning – although they may be on a 417 or 462 VISA and therefore the backpackers tax rates should apply – these workers should not be discriminated against and should be taxed as Australian residents. The ATO has advised the following:

“Employer obligations have not changed and employers should apply the PAYG withholding tax rate in accordance with their employees Tax File Number declaration. If a worker identifies themselves as an Australian resident for tax purposes, and our records indicate they are a working holiday maker, we will notify both the employer and worker of their working holiday maker status and advise them to apply the relevant tax rate”

For more information on this matter, click on the following link -

<https://www.ato.gov.au/Media-centre/Articles/Statement-on-ATO-decision-to-appeal-Addy-v-Commissioner-of-Taxation/>



## **December Webinar:**

We won't be running a live webinar in December, but we've made available a highlight package of sessions from APACON19 which you can [watch here](#).

The conference was attended by 600 payroll professionals from around Australia.

## **Holiday Shutdown:**

Australian Payroll Association will be taking a well-earned break over the holiday season.

Friday 20th December - Closed from 13:00 AEDT

Monday 6th January 2020 - Open for business as usual

From all of us at APA, we wish our members a happy holiday season and a brilliant, prosperous New Year!