

MEMBERS UPDATE



**JULY
2021**



In this month's members update we look at:

- STP Phase 2 Employer guide
- New financial year updates
- Fair Work Pay Guides
- Clerk Award Schedule I
- How can employees access their Income Statement?
- Super Reforms – Your Super, Your future – Effective 1st November

Welcome to the July 2021 member's update

Many of us are busy finalising year end, but it is important to take the time to go over the changes for the new financial year. In this month's members update we will look at what changes the new financial year will bring.

We will also look at Income Statements and how employees can access them instead of receiving them from employers.

Lastly, we will touch on the new changes that are coming in on the 1st of November for Superannuation. Now, let's start the new financial year well.

STP Phase 2 Employer Guide

These guidelines aim to help you understand what is required for STP Phase 2 reporting through your STP Phase 2 enabled software. The mandatory start date for STP Phase 2 reporting is 1 January 2022. Below is the STP Phase 2 Employer Guide. Your payroll software provider will reach out to you regarding the transition, including whether they have received a deferral from the ATO for the go live date.

<https://www.ato.gov.au/Business/Single-Touch-Payroll/In-detail/Single-Touch-Payroll-Phase-2-employer-reporting-guidelines/>

Summary of new financial year updates and thresholds

Maximum Superannuation Contribution Base (MSCB)

The maximum contribution base is used to identify the most an employer is legally required to pay as part of the super guarantee in a particular fiscal quarter. Legally, the employer doesn't need to pay any further super contributions for income over the MSCB level, though there is no prohibition against doing so. The MCB will increase to **\$58,920** per quarter from 1 July 2021.

Superannuation Guarantee (SG) rate

In the new Financial Year, the legislated SG rate will increase from 9.5% to **10%** from the first payment date in the new financial year.

Concessional Super cap

Concessional contributions include:

- employer contributions (including contributions made under a salary sacrifice arrangement)
- personal contributions claimed as a tax deduction.

The new concessional contribution cap is **\$27,500** for 2021-22

Non-concessional contributions and contribution caps

Non-concessional contributions are:

- from an employees after-tax income
- not taxed upon entry into the employees super fund.

From 1 July 2021, the non-concessional contributions cap is being increased to **\$110,000** as a result of indexation in line with average weekly ordinary time earnings (AWOTE).

Tax rates and income thresholds

The Federal Budget did not result in any changes to tax rates or income thresholds for the 2021-22 financial year.

Study and Training Support Loans (STSL)

STSL updates have been applied for the new financial year due to the annual indexing of the repayment income threshold

<https://www.ato.gov.au/Rates/Tax-tables/#Taxtablesupdatedthatapplyfrom1July2020>

Genuine redundancy cap

The genuine redundancy cap has increased to **\$11,341** (base limit) and then **\$5,672** for each completed year of service.

Employment Termination Payment (ETP) cap

The ETP cap for life benefit and death benefit termination payments has increased to **\$225,000**.

National minimum wage

The national minimum wage is currently **\$20.33** per hour or **\$772.60** per 38 hour week (before tax).

Casual employees covered by the national minimum wage also get at least a 25% casual loading.

Cents per Kilometre

72 cents per km for 2020–21 and 2021–22

ATO Reasonable Rates for Overtime Meal Allowances and Overnight Travel Allowances

The ATO has released the tax determination for the new income year, with the Overtime Meal Allowances reasonable rate being set at **\$32.50**

This, and the reasonable amounts for overnight travel allowances, can be found in TD2021/6

<https://www.ato.gov.au/law/view/pdf/pbr/td2021-006.pdf>

Increase to the high-income threshold

The high-income threshold increases from \$153,600 to **\$158,500**. This amount affects how a modern award applies to an employee, and affects an employee's access to the unfair dismissal jurisdiction of the Fair Work Commission.

In addition, this threshold affects the calculation of LSL when factoring in bonuses and commissions received by the worker. These payments are averaged over the previous 12 months (or averaged over the previous five years if the five year average pay rate is used) and added to the weekly rate used to calculate the leave payment for NSW LSL. However, bonuses paid to workers who are otherwise paid in excess of \$158,500 annually are not included.

Payroll Tax

ACT has changed their Payroll Tax annual return date to 28 July.

Payroll Tax exemption rate for cents per km is now 72 cents

State	Monthly threshold (total Australian wages)	Yearly threshold (total Australian wages)	Rate	2021-22 update
NSW	\$101,918 (31 days) \$98,630 (30 days) \$92,055 (29 days)	\$1,200,000	4.85%	<input checked="" type="checkbox"/>
VIC	\$58,333	\$700,000	4.85% (1.2125% if 85% of wages paid to regional employees)	<input checked="" type="checkbox"/>
SA	Is advised when you log in each month. See below for the calculation they use.	Does not exceed \$1.5M Exceeds \$1.5M but not \$1.7M Exceeds \$1.7M	Nil Variable 0-4.95% 4.95%	<input checked="" type="checkbox"/>
QLD	\$108,333	Does not exceed \$1.3M Exceeds \$1.3M but not \$6.5M Exceeds \$6.5M	Nil 4.75% 4.95%	<input checked="" type="checkbox"/>
TAS	\$105,874 (31 days) \$102,459 (30 days) \$99,314 (29 days)	\$2,000,000 \$1,250,000 - \$2,000,000	6.10% 4.00%	<input checked="" type="checkbox"/>
ACT	\$166,667	\$2,000,000	6.85%	TBC
NT	\$125,000	\$1,500,000	5.50%	TBC
WA	\$83,333	Does not exceed \$1,000,000 Exceeds \$1m but not \$100 million Exceeds \$100million but not \$1.5billion Exceeds \$1.5 billion	Nil 5.50% 6.00% 6.50%	TBC

Fair Work Pay Guides

Fair Work Pay Guides for the 1 July 2021 minimum wage increase have now been published for many, but not all, Modern Awards.

You can find the pay guides here <https://www.fairwork.gov.au/pay/minimum-wages/pay-guides>

If your pay guide has not yet been updated for 1 July, you can subscribe to Fair Work for your specific award(s) here, and Fair Work will email you once the new pay guide is available

<https://www.fairwork.gov.au/website-information/staying-up-to-date/subscribe-to-email-updates>

Clerks Award Schedule I

Schedule I for Covid flexibility has not been extended and therefore has ceased effective 30 June 2021.

How can employees access their Income Statement?

Employers no longer need to provide employees Income Statements at the end of the Financial Year. Employees can access this instead via the employees Tax Agent/Accountant or via the ATO online services myGov.

1. Log in to myGov.
2. Select Australian Taxation Office.
3. Select (from the top of the screen) Employment and then Income statements.

If an employee does request for their Income Statement you can provide the below factsheet.

https://www.ato.gov.au/uploadedFiles/Content/MEI/downloads/n75191_employee_factsheet.pdf

Super Reforms – Your Future, Your Super – Effective 1st November

In the 2020–21 federal Budget, the government announced the Super Reforms – Your Future, Your Super measure (Super Stapling).

The measure has four key elements:

- A new YourSuper comparison tool for individuals to be able to compare key data on MySuper products.
- From 1 November 2021, where employees do not choose a super fund, most employers will have to check with the ATO if their employee has an existing super account, known as a ‘stapled super fund’, to pay the employee’s super guarantee into.
- A change to the duties of trustees of superannuation funds to act in the best financial interest of their members.
- A new super fund underperformance assessment to be conducted by APRA and published on our website.

The ATO have not released how they will be implementing this process as yet. APA will keep you updated once this information is released.

<https://www.ato.gov.au/General/New-legislation/In-detail/Super/Super-Reforms---Your-Future,-Your-Super/>



Please join us for our July members webinar where we will be looking at “**Highlights of the STP Phase 2 Employer Guide**”.
Join us on **Tuesday 20th of July 2021 at 1pm.**

CLICK HERE TO REGISTER