

MEMBERS UPDATE



**FEBRUARY
2022**



In this month's members update we look at:

- Amendments to WA Long Service Leave
- PAYG withholding for working holiday makers
- APA new partnership

Welcome to the February 2022 member's update

We are well into the new year, and as such we wanted to highlight some key changes in payroll. This month we discuss some key amendments to the WA Long Service Act. These changes have come in from 2022 and it is important that all employers understand the changes if they have employees working within WA.

After the High Court handed down its decision in *Addy v Commissioner of Taxation* in favour of the taxpayer, we wanted to highlight the PAYG withholding for working holiday makers.

There is also some exciting news for our members who also employ in NZ. Australian Payroll Association has partnered with New Zealand Payroll Practitioners Association and we have a special offer for all members. More details below.

Let's get into this Month in Payroll.

Amendments to the WA Long Service Leave Act

Key amendments to the LSL Act include:

- Clarifying a number of entitlements and providing for greater flexibility in how long service leave is taken through:
 - enabling an employer and employee to agree to the employee taking long service leave in separate periods of any length; and
 - allowing an employee to request to take long service leave at half pay for twice as long, or at double pay for half as long.
- Introducing new 'transfer of business' provisions based on the same provisions in the Fair Work Act 2009.
- Strengthening enforcement provisions through introducing penalties for contravening the LSL Act or failing to keep required employment records relating to long service leave.

The Amendments to the [Long Service Leave Act fact sheet](#) has more information.

PAYG withholding for working holiday makers

If you employ working holiday makers, regardless of the country they are from, you must continue to withhold 15% tax from their pay – unless you receive a pay as you go variation notice from the ATO.

Eligible working holiday makers may be tax assessed the same as an Australian resident where they are both:

- an Australian resident for tax purposes, and
- from one of the below non-discrimination article (NDA) countries
 - Chile

- Finland
- Germany (for 2017–18 and later income years)
- Israel (for 2020–21 and later income years)
- Japan
- Norway
- Turkey
- United Kingdom.

If these conditions are met by your employee, they can lodge a tax return at the end of the income year to receive a tax refund (where eligible).

You don't need to do anything new as a result of this decision.

[Click here](#) for more information

Australian Payroll Association is partnering with New Zealand Payroll Practitioners Association

Need specific NZ payroll advice straight from the NZ experts? We have some exciting news to share with our members. APA and NZPPA are teaming up. This means that as an APA member you will be able to get a 10% discount on overseas membership and training through NZPPA.



To take advantage of this great partnership use the code **APA10%**

NZPPA Overseas (Australia) membership: <https://www.nzppa.co.nz/product-category/membership/>

NZPPA training: <https://www.nzppa.co.nz/nzppa-store/>

Payroll Compliance

Check your teams Payroll Knowledge

It is important to understand what level of payroll knowledge your Payroll team has. Our industry first Assessment Tool is important to accurately test the technical competency of all payroll staff. This can be used to test both prospective candidates, your existing payroll team regardless of experience and also assist in your teams training plan.

The test comprises 35 multiple choice questions and is expected to take a payroll professional 20-30 minutes to complete. The results you receive will include a raw score plus a weighted score which takes into consideration the time taken to complete the test.

This means you can get an accurate gauge of technical knowledge without the use of external resources. Once you have an idea of where your team's knowledge lays you can work out a training plan or organise the payroll team to play to their strengths.

Discounts apply for 3+ tests. Member discounts apply.

<https://www.austpayroll.com.au/online-short-courses/payroll-knowledge-assessment>

FAQ

Q. If an employee is on Annual leave what happens when they become sick or injured?

A. If an employee is sick or injured while on annual leave, the employee can use their paid sick or carer's leave entitlement instead of using their annual leave.

The employer can still request the employee provide notice and evidence when taking sick or carer's leave while on annual leave.

An employer can't direct an employee to take annual leave while they're taking sick or carer's leave.

Q. Do post-tax deductions need to be reported in STP Phase 2?

A. The reporting of deductions doesn't change for STP Phase 2, with the exception of Child Support deductions, which can be voluntarily reported if your payroll solution is configured to do so.

You can find further information here <https://www.ato.gov.au/Business/Single-Touch-Payroll/In-detail/Single-Touch-Payroll-Phase-2-employer-reporting-guidelines/?anchor=OthercomponentsofyourSTPreporti ng#Deductions>

Q. How is cents per kilometre reported under STP Phase 2?

A. Cents per kilometre is always reportable, regardless of whether it is a taxable or non-taxable component. In STP Phase 2 these are reported as allowance type CD - Cents per kilometre allowance.

Should be included as cents per km allowance	Shouldn't be included as cents per km allowance
<ul style="list-style-type: none">> Cents per km payments for a car up to the ATO rate and limit for business related travel> Cents per km payments for a car in excess of the ATO rate and limit for business related travel	<ul style="list-style-type: none">> Cents per km payments for private travel such as travel between home and work – this should generally be reported as other allowances (allowance type OD) with the description ND (non-deductible)> Cents per km payments for vehicles other than a car such as a motorbike or van – this should be reported as other allowances (allowance type OD) with the description V1 (private vehicle)> Flat rate car allowance that is not referable to kilometres travelled – this should be reported as other allowances (allowance type OD) with the description V1 (private vehicle)

<https://www.ato.gov.au/Business/Single-Touch-Payroll/In-detail/Single-Touch-Payroll-Phase-2-employer-reporting-guidelines/?anchor=Reportingtheamountsyouthavepaid#CentsperkmallowanceAllowancetypeCD>

Members Webinar



Please join us for our February members webinar where we will be looking at "OTE for Superannuation Purposes".
Join us on Tuesday 22th of February 2022 at 1pm.

[CLICK HERE TO REGISTER](#)