



Members Update

Dear member,

Welcome to the October 2019 member's update.

This month we look at changes in penalty rates effective the first full pay period on/after 1 October 2019 and some recent legislative changes with respect to superannuation.

Penalty Rate Changes:

Retail Award

From 1 October 2019, penalty rates for casuals (other than shift workers) working on Saturdays or weekday evenings increase by 5%. The new rates will be:

- 135% for evening work (Monday – Friday)
- 145% for Saturday work.

Pharmacy Award

- a 5%* increase to base pay rates for some employees (introduced in 2 stages of 2.5% each)
- a new weekly allowance for some employees who are required to carry out Home Medicine Reviews and Residential Medication Management Reviews.

The first 2.5%* increase applied from the first full pay period on or after 1 July 2019.

The second 2.5%* increase and the new allowance start in October.

The 2.5% increase applies from the first full pay period starting on or after 1 October 2019. The pay increase applies to employees classified as:

- Pharmacists
- Experienced Pharmacists
- Pharmacist in Charge
- Pharmacist Managers

Fair Work are constantly updating terms and conditions in Awards so to keep up to date with the changes in your relevant Award, it's as simple as subscribing to the Fair Work Ombudmsan. If you do not already have an account, you will need to register with Fair Work. If you do have an account, simply log in.

Once you have logged into your account, you can manage your subscription preferences accordingly;

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Keep up to date with changes in your industry. You'll also be the first to know when, where and how we're working with your industry to improve compliance.

Choose your industry and/or Award/s to make sure you never miss any key updates!

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Select a sub-industry by clicking on it below.

- Banking, finance and insurance ▲
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- Clerical
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- Labour market assistance ▼

Selected industries/sub-industries
You can remove a sub-industry by clicking on it below.

- Clerical>Clerical ▲
- Other>Unspecified ▼

Award
Select an award by clicking on it below.

- Aboriginal Community Controlled Health Services Award 2010 [MA000115] ▲
- Aged Care Award 2010 [MA000018]
- Air Pilots Award 2010 [MA000046]
- Aircraft Cabin Crew Award 2010 [MA000047]
- Airline Operations - Ground Staff Award 2010 [MA000048] ▼

Selected awards
You can remove an award by clicking on it below.

- Aboriginal Community Controlled Health Services Award 2010 [MA000115] ▲
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Changes to public holiday substitution rules

On 4 October 2019, terms allowing an employer to unilaterally substitute a public holiday or substitute a public holiday with agreement from the majority of their staff will be removed from awards that contain them.

Instead, employers and individual employees can agree to substitute another day (or part-day) for a public holiday.

Public holiday entitlements will apply to the substituted day for any employees that agree. For any employees that don't agree to the substitution, the original public holiday will attract public holiday entitlements.

Superannuation updates

The Treasury Laws Amendment (2018 Superannuation Measures No. 1) Bill 2019 has passed both Houses of Parliament and received royal assent on 2 October 2019.

Individuals with more than one employer, who expect their employers' compulsory super contributions will exceed their annual concessional contributions cap for a financial year, will be able to apply for an exemption certificate to release some of their employers from their SG obligations.

Individuals will still need to receive SG payments from at least one employer.

From 21 October 2019, eligible individuals will be able to download an application form from the ATO website.

From a payroll perspective, the key points to note are:

1. An employer is liable for meeting their SG obligations until such time they receive notification **from the ATO** that an exemption certificate has been approved – just like a downward PAYG withholding variation, the document must be issued to the employer by the ATO.
2. It is the employee's responsibility to complete and lodge the application with the ATO – not the employers.
3. The certificate will generally have an "expiry date" i.e. exemption certificates may be issued for multiple quarters within a financial year but cannot cover more than one financial year
4. The certificate does not change the employer's obligations under a workplace award or agreement, or an employer's agreement with their super fund.

Whilst the exemption certificate relieves the employer of the SG obligations with respect to OTE for the employee, it does not make provisions on any "negotiated" arrangements – eg the certificate simply removes the employers SG obligation – it does not instruct the employer to pay the employee the \$ value of the SG as salaries and wages or give the employee additional leave entitlements in place of the forgone superannuation. This means that any changes to an employee's pay and/or other entitlements need to be negotiated between the employee and their employers.



Proposed Superannuation Guarantee amnesty

The proposed Superannuation Guarantee (SG) Amnesty was re-introduced into Parliament on 19 September 2019.

Employers will not be off the hook - to use the amnesty, they must still pay all that is owing to their employees, including interest. However, the amnesty will encourage employers to come forward and pay outstanding superannuation, by not hitting them with the penalties usually associated with late payment.

Importantly, employers who do not take advantage of the one-off amnesty will face significantly higher penalties when they are subsequently caught - **typically employers will face a minimum 100 per cent penalty on top of the SG Charge they owe**. The SG Charge includes the full amount of SG owed to employees, interest on the SG owed of 10 per cent, and an administration fee.

The amnesty was originally announced in May 2018 to apply from 24 May 2018 until 23 May 2019, but the legislation to establish the amnesty did not pass the last parliament.

With all this talk about superannuation – and certainly with STP superannuation reporting and data matching by the ATO with the SG contributions reported by the super funds, our October 2019 webinar will explain the SG charge statement and talk you through how to complete the SG charge statement for basic shortfalls. Please join me on 23rd October at 1pm for our webinar - **“Understanding and completing the SG Charge statement - Part 1”**

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