



Members Update

Dear member,

Welcome to the April 2020 members update.

This month's update looks at Award updates, outlines some of stimulus package details announced by the Federal and State Governments, and contains the ATO's 2020-2021 key rates and thresholds.

Fair Work are regularly updating their website with information specific to the current situation.

We recommend checking this page regularly for the most up-to-date information.

AWARD UPDATES

Hospitality Award - applicable from 24 March to 30 June

Schedule L has been added to the Hospitality Award during the outbreak of coronavirus allowing for flexibility in the following areas:

- **employees' classifications and duties** - employers can tell their employees to do any tasks that they have the skill and competency for, even if those tasks aren't in their usual classification or normal work. The task must be safe and the employee must have all the appropriate licenses and qualifications to perform the tasks. If an employee is told to work above their usual classification, the employer needs to pay them at the higher rate.
- **full-time and part-time employees' hours of work** - employers can reduce their permanent employees' hours of work to an average of:
 - between 22.8 and 38 ordinary hours each week for full time employees
 - between 60% and 100% of the guaranteed hours per week or over the roster cycle for part-time employees.

If an employer wants to reduce an employee's hours, they need to discuss the changes with them, making sure they:

- follow the award's consultation rules about changes to rosters or hours of work
- provide as much notice as practicable.

If an employee is a member of a union, their employer also needs to let their union know this change is happening. Employees working reduced hours under Schedule L ***will continue to accumulate and take their paid leave based on their ordinary hours before the employer reduced the hours.***

- **directions to take annual leave** - employers directing employees to take annual leave need to:
 - give their employees at least 24 hours' notice
 - consider their employee's personal situation.

Employees ***can take twice as much annual leave at half pay if their employer agrees.*** Employees and employers can still agree to take annual leave at any time.

Clerks Award - applicable from 28-March to 30 June

Schedule I has been added to the Hospitality Award during the outbreak of coronavirus allowing for flexibility in the following areas:

- **employees' classifications and duties** - employers can tell their employees to do any tasks that they have the skill and competency for, even if those tasks aren't in their usual classification or normal work. The task must be safe and the employee must have all the appropriate licenses and qualifications to perform the tasks. If an employee is told to work above their usual classification for more than one day, the employer needs to pay them at the higher rate. Employees who do tasks below their usual classification are still paid at their usual pay rate.
- **minimum engagement/pay for part-time and casual employees** - Part-time employees who have agreed with their employer to work from home can have their minimum engagement reduced from 3 hours per shift to 2 hours per shift. Casual employees who have agreed with their employer to work from home must be paid for a minimum of 2 hours' work per shift rather than 3.
- **span of hours changes while working at home** - Employees who have agreed with their employer to work from home can make an agreement with their employer to change their span of hours to allow them to work between:
 - o 6am and 11pm, Monday to Friday
 - o 7am and 12.30pm, Saturday.

Employers don't need to agree with a majority of their employees to make these changes. ***Day workers won't be considered shiftworkers for entitlements under the Clerks Award while these arrangements are in place.***

- **full-time and part-time employees' hours of work** - Employers can temporarily reduce their permanent employees' hours of work to not less than 75% of their full-time ordinary hours or agreed part-time hours immediately prior to the reduction. This can be for the whole business or a section of the business. If an employer wants to reduce their employees' hours, the employees will need to vote in favour of the reduction of hours. At least 75% of the full-time and part-time employees in the business or section of the business must approve the temporary reduction.

The employer needs to follow these steps for the vote to be valid:

1. If any employee is a known member of a union, let the union know about the vote.
2. Provide the employees with the contact details for the Australian Services Union (ASU), if they wish to contact the ASU for advice.
3. Email clerksaward@fwc.gov.au about the vote and provide the employees' private email addresses. The Commission will email the employees the ASU COVID-19 Information Sheet.
4. Hold a vote at least 24 hours after they have followed steps 1-3.

Any employee who has had their hours reduced can ask their employer for permission to:

- o find more work with another employer
- o access training, professional development and study leave through their employer.

An employer can't unreasonably refuse an employee's request for find other work. An employer must also consider all reasonable requests for training, professional development or study leave.

Please note - Employees working reduced hours under Schedule I will continue to accumulate their paid leave and termination of employment entitlements based on their ordinary hours of work before the reduced the hours started.

- **directions to take annual leave** - Employers can direct an employee to take annual by giving their employees at least 1 week's notice (or any shorter period of notice that is agreed). If the annual leave is because the business is closing down for a period due to coronavirus and an employee doesn't have enough paid annual leave to cover the whole period, the employer can direct them to take unpaid leave. ***The period of unpaid leave counts as service for entitlements*** under the:
 - o Clerks Award
 - o National Employment Standards.

If the business isn't closing, the employer can only direct an employee to take annual leave if the:

- o employee still has at least 2 weeks of leave left after the direction
- o employer considers the employee's personal situation.

Employees can take up to twice as much annual leave at a proportionally reduced rate if their employer agrees. Employees and employers can still agree to take annual leave at any time.

Restaurant Industry Award - applicable from 31 March to 30 June

The changes to the Restaurant Industry Award Schedule I.

Under Schedule I employers can tell their employees to do any tasks that they have the skill and competency for, even if those tasks aren't in their usual classification or normal work. The task must be safe and the employee must have all the appropriate licenses and qualifications to perform the tasks.

When an employee works at a higher classification **for less than 2 hours**, the employer needs to pay them at the higher rate for the hours worked. If the employee works at a higher classification for **2 hours or more**, the employer needs to pay them at the higher rate for the whole day.

Employers can reduce their permanent employees' hours of work so that they work an average of:

- between 22.8 and 38 ordinary hours each week for full time employees
- between 60% and 100% of the guaranteed hours per week or over the roster cycle for part-time employees.

If an employer wants to reduce an employee's hours, they need to discuss the changes with them, making sure they:

- follow the award's consultation rules about changes to rosters or hours of work
- provide as much notice as practicable.

If an employee is a member of the United Workers Union, their employer also needs to let their union know this change is happening.

Employees working reduced hours under Schedule I will continue to accumulate and take their paid leave based on their ordinary hours before the employer reduced the hours.

- **directions to take annual leave** - Employers can direct an employee to take annual leave under Schedule I. Employers need to:
 - give their employees at least 24 hours' notice
 - consider their employee's personal circumstances.Employees can take twice as much annual leave at half pay if their employer agrees. Employees and employers can still agree to take annual leave at any time.

- **Close down of business** - If a business is closing down for a period, employers can direct their employees to take annual leave under Schedule I by giving them at least 1 week's notice (or any shorter period of notice that is agreed).

If an employee doesn't have enough paid annual leave to cover the whole period, the employer can direct them to take unpaid leave for the remainder of the close down. The period of unpaid leave counts as service for entitlements under the:

- Restaurant Award
- National Employment Standards.

FEDERAL GOVERNMENT STIMULUS PACKAGES

Cash flow assistance for businesses

On 12 March 2020, the Government announced the Boosting Cash Flow for Employers measure. The measure initially provided up to \$25,000 to business, with a minimum payment of \$2,000 for eligible businesses. Small and medium sized business entities with aggregated annual turnover under \$50 million and that employ workers are eligible.

The Government has enhanced this measure as part of the second economic response package. Not-for-profit entities (NFPs), including charities, with aggregated annual turnover under \$50 million and that employ workers will now also be eligible. This will support employment activities at a time where NFPs are facing increasing demand for services.

Under the enhanced scheme, employers will receive a payment equal to 100 per cent of their salary and wages withheld (up from 50 per cent), with the maximum payment being increased from \$25,000 to \$50,000. In addition, the minimum payment is being increased from \$2,000 to \$10,000.

Supporting apprentices and trainees

Eligible employers can apply for a wage subsidy of 50 % of the apprentice's or trainee's wage for 9 months from 1 January 2020 to 30 September 2020. Employers will be reimbursed up to a maximum of \$21,000 per eligible apprentice or trainee (\$7,000 per quarter).

Where a small business is not able to retain an apprentice, the subsidy will be available to a new employer that employs that apprentice. Employers will be reimbursed up to a maximum of \$21,000 per eligible apprentice or trainee (\$7,000 per quarter).

For more details on the above assistance programs, [click here](#)

FBT relief

Employers who provide extra assistance to employees in relation to COVID-19 may be exempt from FBT on these non-cash benefits. These benefits may include emergency accommodation, food, transport, healthcare and other benefits.

For more details and information, [click here](#)

Superannuation guarantee payments

Whilst the SG amnesty did not cover quarters after March 2018, the ATO have announced that although they cannot legally change the due date to pay the super guarantee contributions, they will offer some relief on late payments.

If you do not pay the full super guarantee by the due date, they recommend that you lodge the SG Charge Statement and make the payment to the ATO and, if you do this within a month, there will be no penalties (however interest will still apply).

For more details and information, [click here](#)

PAYROLL TAX

With the ever-changing stimulus packages being announced, we have provided a brief summary for each State/Territory. The best way to keep you updated is by providing links to the State and Territory Revenue Offices where decisions are being published as they are announced. Furthermore, many of the links below provide additional links for FAQ's which may be of assistance.

ACT - Payroll tax payments waived for six months from April to September 2020 for employers operating in the categories that have been announced as prohibited business activity in the ACT.

[Click here for more information](#)

NSW - Employers whose total grouped Australian wages for the 2019/20 financial year are over \$10 million, will have the option of deferring the payment of payroll tax for up to six months.

Employers whose total grouped Australian wages for the 2019/20 financial year are no more than \$10 million will have their annual tax liability reduced by 25% when they lodge their annual reconciliation, which is due on 28 July. Additionally, no payment for the months of March, April or May 2020 will be required for these employers.

[Click here for more information](#)

NT - [Business relief measures under the Jobs Rescue and Recovery plan](#)

QLD – Employer with < \$6.5 million in Australian taxable wages, refunds of your payroll tax for 2 months (November and December 2019) and no payroll tax to be paid) for 3 months (January to March 2020).

Employer with > \$6.5 million in Australian taxable wages and have been negatively affected by coronavirus can apply for a refund for Jan and Fe 2020 and a deferral up to June 2020.

[Click here for more information](#)

SA – Employers < \$4m in Australia wide wages will receive a 6-month payroll tax waiver from April to September 2020 (i.e March returns – August returns do not need to be paid).
Businesses with Australian grouped wages >\$4 million that can demonstrate they have been significantly impacted by COVID 19 will, upon application, be able to defer payroll tax payments for the six months from April to September 2020 so the payments for these periods will need to be paid in October.

[Click here for more information](#)

TAS – Payroll Tax waiver Australian Group Wages of up to \$5.0 million annually (March – June) where it can be demonstrated the coronavirus has affected the business.

Full year payroll tax waiver for certain industries.

A 12-month payroll tax rebate to approved employers for new youth employees (aged 24 years and under) employed between 1/4/2020 and 31/12/2020.

[Click here for more information](#)

[Click here for PDF factsheet](#)

VIC - Businesses with annual Victorian taxable wages up to \$3 million will have their payroll tax for the 2019-20 financial year waived.

[Click here for more information](#)

WA – Payroll tax will be waived for March to June for employers who have Australian taxable wages of less than \$7.5 million at 30 June 2020.

[Click here for more information](#)

NSW LONG SERVICE LEAVE ACT

The Long Service Leave Act 1955 has been temporarily amended for 6 months to allow an employer to give less than one month's notice to a worker to take their long service leave entitlement, if the worker agrees.

Prior to the amendment an employer was required to give the worker one month's notice before the long service leave commencement date.

Long service leave may be taken in advance where there is agreement to do so between the employer and worker.

Where the employer and worker agree, the taking of leave may be postponed.

If an employee had already elected to take LSL however due to the current situation, the employer and employee may also agree that the amount paid for the leave to be taken at a later date will be whatever rate of pay the worker is earning at the time of the agreement instead of the rate of pay when the postponed leave is taken.

For example, if an employer and worker agree to postpone the leave for one year and the ordinary rate of pay of a worker at the date of the agreement is \$700.00 a week – that is the amount the worker will be paid for the portion of the leave postponed regardless of whether the worker is earning a higher or lower amount of pay at that later time.

[Click here for more information](#)

KEY RATES AND THRESHOLDS - 2020/2021

Australian Taxation Office	
Tax free portion of a Genuine Redundancy payment	Base Limit = \$10,989 For each completed year of service = \$5496
ETP Life/Death Benefit	\$215,000
Whole of Income Cap	\$180,000
Superannuation maximum contributions base	\$57,090

MEMBER WEBINAR

Please join me for our monthly webinar to be held on **22nd April at 1pm** where we will address payroll queries we have received that are impacting on business in the present situation – including Fair Work matters and changes, and Federal and State/Territory stimulus packages.

We may not have all the answers just yet but we will pass on all the information we have to date.

[REGISTER HERE](#)