



# Members Update

Dear member,

Welcome to the July 2020 member's update.

This month's update provides information on the 2020-2021 rates and thresholds, minimum wage increase, Award increases and expense related allowances, and changes to Modern Awards.

## SUMMARY OF KEY RATES AND THRESHOLDS

<b>Australian Taxation Office</b>	
Tax free portion of a Genuine Redundancy payment***	Base Limit = <b>\$10989</b> For each completed year of service = <b>\$5496</b>
ETP Life/Death Benefit***	<b>\$215,000</b>
Whole of Income Cap***	<b>\$180,000</b>
Reasonable Overtime Meal/Overnight Travel Allowances	<b>TBA</b>
Superannuation maximum contributions base	<b>\$57,090</b>
Concessional contributions cap	<b>\$25,000</b>
Non-Concessional contributions cap	<b>\$100,000</b>
Changes to STSL rates (there are no other PAYG withholding tax table changes)***	<a href="https://www.ato.gov.au/Rates/Tax-tables/?page=1#Tax_tables_updated_that_apply_from_1_July_2020">https://www.ato.gov.au/Rates/Tax-tables/?page=1#Tax_tables_updated_that_apply_from_1_July_2020</a>
ATO approved cents per kilometre rates***	<b>72 cents per kilometre</b> <a href="https://www.ato.gov.au/law/view/view.htm?docid=%22ITD%2FMVE20201%2F00001%22">https://www.ato.gov.au/law/view/view.htm?docid=%22ITD%2FMVE20201%2F00001%22</a>

\*\*\*ATO rates apply to payments made on/after 1 July

## Additional pay periods in a FY

In some financial years, payees who are paid:

- fortnightly will have 27 paydays for the year instead of the usual 26
- weekly will have 53 paydays for the year instead of the usual 52

As the calculations for withholding tax are based on the normal number of pays in a year, the extra pay may result in insufficient amounts being withheld. You **should** let your payees know when this happens so they can ask you to withhold an additional amount. If the payee wishes to have an additional amount withheld to avoid a tax liability at the end of the FY, they can request additional tax be withheld. This written request can be made by any means that suits the business and meets your record keeping obligations (eg the request can be made via email or even through an ESS portal where the functionality is available). Unlike downward withholding variation, there is no specific ATO document that must be submitted where an employee chooses to have more PAYG withheld.

**Fortnightly 27 pay days:** <https://www.ato.gov.au/Rates/Fortnightly-tax-table/>

**Weekly 53 pay days:** <https://www.ato.gov.au/Rates/Weekly-tax-table/>

Fair Work	
Weekly Minimum Wage	<b>\$753.80 per week or \$19.84 per hour</b>
High Income Threshold	<b>\$153,600</b>
Increase in Modern Awards wages in 3 stages - 1 July 2020, 1 November 2020 and 1 Feb 2021 - list of Awards in each group as per link (pg 116)	<a href="https://www.fwc.gov.au/documents/decision-signed/html/pdf/2020fwcfb3500.pdf#page=116">https://www.fwc.gov.au/documents/decision-signed/html/pdf/2020fwcfb3500.pdf#page=116</a>
Increase in expense related allowances in Awards (effective at the same time as the wage increases in the Awards)	<a href="https://www.fwc.gov.au/awards-agreements/minimum-wages-conditions/annual-wage-reviews/annual-wage-review-2019-20-5">https://www.fwc.gov.au/awards-agreements/minimum-wages-conditions/annual-wage-reviews/annual-wage-review-2019-20-5</a>

**\*\*\*Fair Work increases apply on the first FULL pay period on/after the applicable change date**

Due to the fact that the expense related allowances will increase in line with the minimum wage increases in modern awards, there may be a case where, if you have more than one Award applying to your organisation, you may have different rates for the same allowance. For example, changes to minimum wages and expense related allowances under the Cleaning Award come into effect on/after 1 July and one of these changes is the rate for cents per kilometre. The Award rate is now 80c per kilometre so you will need to configure your software and pay your employees the correct rate. However, if the Clerks Award also applies to your organisation, there will be no increase in the expense related allowance until 1 November 2020 so you may be paying 2 employees the same allowance but at a different rate if your organisation is covered by more than 1 Award.

FBT	
Gross up rate Type 1 (with GST)	<b>2.0802</b>
Gross up rate Type 2 (no GST)	<b>1.8868*</b> (this is the grossed up rate used for all Fringe Benefits for payment summary/STP reporting)
FBT Rate	<b>47%</b>
For a complete list of FBT rates (including benchmark interest rate, car parking, LAFHA etc)	<a href="https://www.ato.gov.au/rates/fbt/">https://www.ato.gov.au/rates/fbt/</a>

**Payroll Tax**

State	Annual Threshold	Percentage
ACT	\$2,000,000	6.85%
NSW	<b>\$1,000,000</b>	5.45%
NT	\$1,500,000	5.50%
QLD	\$1,300,000 - \$6,500,000	4.75%
	> \$6,500,000	4.95%
	Regional - \$1,300,000 - \$6,500,000	3.75%
	Regional - > \$6,500,000	3.95%
SA	\$1,500,000 - \$1,700,000	0% - 4.95%
	> \$1,700,000	4.95%
TAS	\$1,250,000 to \$2,000,000	4%
	Over \$2,000,000	6.10%
VIC	\$650,000	4.85% ( <b>2.02%</b> regional)

Payroll Tax (cont)		
WA	1 July - 31 December 2020	\$950,000
	1 January - 30 June 2021	\$1,000,000
	More than \$1 million but less than \$7.5 million	5.5%
	\$7.5 million or more but not exceeding \$100 million	5.5%
	More than \$100 million but not exceeding \$1.5 billion	5.5% for wages up to \$100 million + 6% for wages from 100 million to 1.5 billion
	More than \$1.5 billion	5.5% for wages up to \$100 million + 6% for wages from 100 million to 1.5 billion + 6.5% for wages above \$1.5 billion
	WA can be quite tricky - see link	<a href="https://www.wa.gov.au/organisation/department-of-finance/about-payroll-tax">https://www.wa.gov.au/organisation/department-of-finance/about-payroll-tax</a>
<b>Payroll tax allowances (exempt component)</b>		
Car (cents per kilometre)	<b>68c (unless legislation changes)</b>	
Accommodation	<b>TBA</b>	

- NSW payroll tax annual return for 2019-2020 is due 30<sup>th</sup> October

## **MEMBERS WEBINAR**

Our July webinar will be held on 22 July 2020 at 1pm and the topic will be **“What are ordinary time earnings for superannuation guarantee purposes”**.

[Register here](#)

Dear member,

Welcome to the July 2020 additional member's update.

Following on from the July 2020 update issued 02 July 2020, further announcements have since been released by the ATO and Fair Work regarding threshold updates and changes to Modern Awards.

## RATES AND THRESHOLDS

Australian Taxation Office	
Overtime Meal allowance	<b>\$31.95</b>
Reasonable Travel Allowance TD 2020/5	<a href="https://www.ato.gov.au/law/view/pdf/pbr/td2020-005.pdf">https://www.ato.gov.au/law/view/pdf/pbr/td2020-005.pdf</a>

## Fair Work Changes to Modern Awards

Fair Work – Coronavirus Award updates	
Employers are now required to pay an employee's wage and all other entitlements under the NES within 7 days of their employment ending.  *** <b>Please note</b> – the Victorian LSL Act requires an employer to pay unused LSL <b>on the day of termination</b>	<ul style="list-style-type: none"> <li>• Meat Industry Award</li> <li>• Passenger Vehicle Transportation Award</li> <li>• Nurses Award</li> <li>• Plumbing and Fire Sprinklers Award</li> <li>• Waste Management Award</li> <li>• Seafood Processing Award</li> <li>• Mobile Crane Hiring Award</li> <li>• Road Transport and Distribution Award</li> <li>• Road Transport (Long Distance Operations) Award</li> </ul>
Extensions to “COVID-19” schedules in Awards beyond 30 June 2020	<ul style="list-style-type: none"> <li>• Hospitality Industry (General) Award – <b>27 September 2020 (Schedule J)</b></li> <li>• Restaurant Industry Award – <b>27 September 2020 (Schedule I)</b></li> <li>• Vehicle Manufacturing, Repair, Services and Retail Award – <b>31 July 2020 (Schedule I)</b></li> <li>• Clerks Private Sector Award – <b>30 September 2020 (Schedule I)</b></li> <li>• Air Pilots Award – <b>31 December 2020 (Schedule X)</b></li> <li>• Live Performance Award – <b>30 June 2021 (Schedule X)</b></li> <li>• Fast Food Award – <b>31 July 2020 (Schedule X)</b></li> <li>• Retail Award – <b>31 July 2020 (Schedule X)</b></li> <li>• Storage Services Award – <b>31 July 2020 (Schedule X)</b></li> <li>• Hair and Beauty Award – <b>31 July 2020 (Schedule X)</b></li> </ul>



	<ul style="list-style-type: none"> <li>• <b>Aboriginal Community Controlled Health Services Award – 31 July 2020 (Schedule X)</b></li> <li>• <b>Aged Care Award – 31 July 2020 (Schedule X)</b></li> <li>• <b>Ambulance and Patient Transport Industry Award – 31 July 2020 (Schedule X)</b></li> <li>• <b>Health Professionals and Support Services Award – 31 July 2020 (Schedule X)</b></li> <li>• <b>Medical Practitioners Award– 31 July 2020 (Schedule X)</b></li> <li>• <b>Nurses Award – 31 July 2020 (Schedule X)</b></li> <li>• <b>Pharmacy Industry Award – 31 July 2020 (Schedule X)</b></li> <li>• <b>Social, Community, Home Care and Disability Services Industry Award – 31 July 2020 (Schedule X)</b></li> <li>• <b>Supported Employment Services Award – 31 July 2020 (Schedule X)</b></li> <li>• <b>Educational Services (Schools) General Staff Award – 1 August 2020 (Schedule J)</b></li> </ul>
<p>Extensions to <b><u>30 September - Schedule X</u></b></p>	<ul style="list-style-type: none"> <li>• Airline Operations - Ground Staff Award</li> <li>• Airport Employees Award</li> <li>• Alpine Resorts Award</li> <li>• Aluminium Industry Award</li> <li>• Amusement, Events and Recreation Award</li> <li>• Animal Care and Veterinary Services Award</li> <li>• Aquaculture Industry Award</li> <li>• Architects Award</li> <li>• Asphalt Industry Award</li> <li>• Banking, Finance and Insurance Industry Award</li> <li>• Broadcasting, Recorded Entertainment and Cinemas Award</li> <li>• Business Equipment Award</li> <li>• Car Parking Award</li> <li>• Cement, Lime and Quarrying Award</li> <li>• Cemetery Industry Award</li> <li>• Children's Services Award</li> <li>• Cleaning Services Award</li> <li>• Commercial Sales Award</li> <li>• Contract Call Centres Award</li> <li>• Corrections and Detention (Private Sector) Award</li> <li>• Cotton Ginning Award</li> <li>• Dry Cleaning and Laundry Industry Award</li> <li>• Educational Services (Post-Secondary Education) Award</li> <li>• Fitness Industry Award</li> <li>• Food, Beverage and Tobacco Manufacturing Award</li> <li>• Funeral Industry Award</li> <li>• Gardening and Landscaping Services Award</li> <li>• Higher Education Industry - General Staff - Award</li> </ul>

	<ul style="list-style-type: none"> <li>• Horse and Greyhound Training Award</li> <li>• Horticulture Award</li> <li>• Hospitality Industry (General) Award</li> <li>• Journalists Published Media Award</li> <li>• Labour Market Assistance Award</li> <li>• Legal Services Award</li> <li>• Local Government Industry Award</li> <li>• Meat Industry Award</li> <li>• Miscellaneous Award</li> <li>• Nursery Award</li> <li>• Pastoral Award</li> <li>• Pest Control Industry Award</li> <li>• Pharmaceutical Industry Award</li> <li>• Poultry Processing Award</li> <li>• Premixed Concrete Award</li> <li>• Professional Diving Industry (Recreational) Award</li> <li>• Professional Employees Award</li> <li>• Racing Clubs Events Award</li> <li>• Racing Industry Ground Maintenance Award</li> <li>• Rail Industry Award</li> <li>• Registered and Licensed Clubs Award</li> <li>• Restaurant Industry Award</li> <li>• Salt Industry Award</li> <li>• Seafood Processing Award</li> <li>• Security Services Industry Award</li> <li>• Silviculture Award</li> <li>• State Government Agencies Award</li> <li>• Sugar Industry Award</li> <li>• Textile, Clothing, Footwear and Associated Industries Award</li> <li>• Timber Industry Award</li> <li>• Vehicle Repair, Service and Retail Award</li> <li>• Waste Management Award</li> <li>• Water Industry Award</li> <li>• Wine Industry Award</li> <li>• Wool Storage, Sampling and Testing Award.</li> </ul>
<p>Changes to the Building and Construction General On-site Award 2010</p>	<ul style="list-style-type: none"> <li>• removing a number of special rates and allowances and increasing the industry allowance, to simplify wages (clause 21.1)</li> <li>• introducing time off instead of overtime (clause 36.17)</li> <li>• adding an early morning shift (clause 34.1)</li> <li>• varying the living away from home – distant work arrangements (clause 25.4)</li> <li>• updating the fares and travel pattern allowance (clause 25.1)</li> <li>• altering the rates for forepersons and supervisors (clause 43.2)</li> </ul>

	<ul style="list-style-type: none"> <li>• annual leave loading will now be calculated on the employee's ordinary hourly rate (clause 38.2)</li> <li>• soil and concrete and aggregate testing employees are no longer covered by the award.</li> </ul>
Changes to the Joinery and Building Trades Award 2010	<ul style="list-style-type: none"> <li>• updating the transfers, travelling and working away from the usual place of work provision (clause 24.5)</li> <li>• introducing time off instead of overtime (clause 30.9)</li> <li>• employers and a majority of their employees can now agree on changing ordinary hours of work and rostering, breaks and overtime (clause 31.1).</li> </ul>
Changes to the Mobile Crane Hiring Award 2010	<ul style="list-style-type: none"> <li>• The changes clarify the accommodation and overnight allowance payable under clause 14.3(e)</li> </ul>
Changes to casual loading in the Social and Community Services Award	<p>From 1 July, casual employees covered by the Social and Community Services Award will get their casual loading in addition to the penalty rates when they work on Saturday, Sunday or overtime.</p> <p>For weekend work, casuals will be paid:</p> <ul style="list-style-type: none"> <li>• 175% of the ordinary hourly rate for work on Saturday</li> <li>• 225% of the ordinary hourly rate for work on Sunday.</li> </ul>
Changes to casual loading in the Aged Care Award	<p>Casuals covered by the Aged Care Award are now entitled to:</p> <p>175% of the ordinary hourly rate for work on Saturday  200% of the ordinary hourly rate for work on Sunday  275% of the ordinary hourly rate for work on a public holiday</p>

<b>NSW Long Service Leave</b>	
NSW LSL annual earnings "cap" (where bonuses etc are not used in determining average weekly earnings)	<b>\$153,600</b>