

MEMBERS UPDATE



**MAY
2022**



In this month's members update we look at:

- Superannuation Increase 1st July 2022
- SCHADS changes
- Annualised Salary update
- STP Phase 2 Factsheet and Checklist
- Compliance – Record Keeping

Welcome to the May 2022 member's update

We are already into May and it is a great time to start looking ahead for the busy period of year end. Don't forget to sign up for the End of Year Seminar <https://www.austpayroll.com.au/end-of-year-seminars/>. Let's get started.

Superannuation Increase 1st July 2022

The Federal Budget 2022 has maintained the Super Guarantee's legislated increase to 12%. From July 1st 2022, the Super Guarantee increases to **10.5%**. It will increase by 0.5% on the 1st of July each year until it reaches 12% in 2025.

There are a few things to start looking at;

- How you need to update this in your system to be ready for any payments made from the 1st of July.
- Discuss with your HR/management team of the changes so that they can update any contracts.
- Update any payroll spreadsheets that reference Superannuation for the new financial year.

STP Phase 2 Factsheet and Checklist

The ATO have put together some factsheets and checklists to help employers with transitioning to STP Phase 2 reporting.

The Checklist and Factsheets include;

- Employer STP Phase 2 checklist
- Tax and BAS professional STP Phase 2 checklist
- Single Touch Payroll – get ready checklist

Click on the link below to find out more.

<https://www.ato.gov.au/business/single-touch-payroll/news,-events-and-resources/#Factsheetsandchecklists>

Social, Community, Home Care and Disability Services Award Changes

A reminder that employers paying under the SCHADS award need to start preparing for the upcoming changes. From the first pay period on or after 1 July 2022, minimum payments for part-time employees in the Social and Community Services Award are changing, and additional allowances are being introduced.

Minimum payments for part-time employees

From the first pay period on or after 1 July 2022, minimum payments for part-time employees in the Social and Community Services Award are changing.

From 1 July 2022, they'll be paid the following minimum number of hours for each shift or period of work in a

broken shift:

- social and community services employees (except when doing disability services work) – 3 hours
- all other employees – 2 hours.

To help employers and employees get ready for these changes, there are transitional arrangements that start on 1 February 2022, and apply until 1 October 2022.

There are other changes to the SCHADS Award from 1 July 2022. This includes entitlements for:

- damaged clothing – introduction of laundry allowance and repair/replacement clothing obligations
- remote response – minimum payments for remote work
- broken shifts – broken shift allowances and new definitions.

To find out more: <https://www.fairwork.gov.au/newsroom/news/changes-minimum-payments-part-time-employees-social-and-community-services-award>

Annualised Salary Update

The Fair Work Commission has issued draft determinations for four awards in regards to annualised salary arrangements, with proposed dates in May and September this year. In summary:

Hospitality and Restaurant Industry Awards

As of 1 September 2022, the Commission proposes that employees who are paid 125% or more via annualised wage arrangements under clause 24 of the Hospitality Award and Clause 20 of the Restaurant Industry Award will need to be paid an additional amount when an employee works in excess of the “outer limits” below:

- 12 hours overtime per week averaged over the roster cycle; and/or
- 18 penalty hours per week averaged over the roster cycle (excluding 7pm to midnight in the Hospitality Award and 10pm to midnight in the Restaurant Award).

Health Professionals and Support Services Award

As of 9 May 2022, the Commission proposes to vary the Health Professional Award to include an annualised wage arrangement clause which will apply to employees in the classifications of Support Services Employee Level 8 and Level 9 and Health Professional Level 2, Level 3 and Level 4.

Marine Towing Award

As of 9 May 2022, the Commission proposes that employees who are paid 140% or more via annualised wage agreements under clause 14.2 of the Marine Towing Award will be paid an additional amount when an employee works in excess of the “outer limits” below:

- For more than 20 penalty hours worked per week averaged over the pay period or roster cycle; and/or
- For more than 15 overtime hours per week averaged over the pay period or roster cycle.

You can find the decision and the draft determinations here <https://www.fwc.gov.au/hearings-decisions/major-cases/4-yearly-review/common-issues/annualised-salaries-am201613>

Compliance – Record Keeping

It may seem obvious that you need to keep correct pay information for your employees, however do you know how long and what information you should be storing and how it should be stored? Records can be kept in employees’ files or online. However, the length of time that you need to keep employee records differ

depending on different legislation.

ATO

You need to keep these records for five years. The five years starts from when you prepared or obtained the records, completed the transactions or acts those records relate to, whichever is later.

You should keep records long enough to cover the period of review (also known as the amendment period) for an assessment that uses information from the record.

Fair Work

Employers have to keep time and wages records for 7 years.

Time and wages records have to be:

- readily accessible to a Fair Work Inspector (FWI)
- legible
- in English.

Long Service Leave

NSW - 6 years following the termination of employment

VIC - 7 years following the termination of employment

QLD - 6 years following the termination of employment

SA - 3 years following the termination of employment

WA - 7 years following the termination of employment

ACT - 7 years following the termination of employment

NT – 3 years following the termination of employment or 6 years if the employee terminates due to death

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www.austpayroll.com.au/payroll-courses/

FAQ

Q. How much Redundancy and Notice should I pay?

A. The minimum requirements for redundancy and notice are as per the National Employment Standards. However, the employee's award, Agreement and/or contract can provide for a greater entitlement. If the employee is covered under an award Fairwork has a great calculator that will outline what the employer is required to pay.

<https://calculate.fairwork.gov.au/endingemployment>

Q. What redundancy pay is payable?

A. Employees receive redundancy pay based on their continuous period of service with their employer. This amount is paid at the employee's base pay rate for ordinary hours worked.

An employee's base rate of pay (other than a pieceworker) is the pay rate they receive for working their ordinary hours, but does not include the following:

- incentive-based payment and bonuses
- loadings
- monetary allowances
- overtime or penalty rates
- any other separately identifiable amounts.

Members Webinar



Please join us for our May members webinar where we will be looking at **“Purchased Leave Arrangements”**.

Join us on **Thursday 19th of May 2022 at 1pm (Sydney time)**.

[CLICK HERE TO REGISTER](#)