



MEMBERS UPDATE

————— MAY 2024 —————

Welcome to the May 2024 member's update

In this month's members update we look at:

- Superannuation rules updated in awards
- It's 2024 fringe benefits tax (FBT) time!
- New FBT Rate tables for the FBT year.
- Travel time – Real Estate Award



Superannuation rules updated in awards

Awards have been updated to reflect superannuation as an entitlement under the National Employment Standards (NES).

The Commission made updates to the modern awards to make sure that awards reflect the current superannuation rules. This includes the new right to superannuation contributions included in the NES, which took effect from 1 January 2024.

The Commission's updates took effect from 9 April 2024. To find out more <https://www.fairwork.gov.au/newsroom/news/superannuation-rules-updated-awards>

It's 2024 fringe benefits tax (FBT) time!

If you've provided fringe benefits to your employees or their associates between 1 April 2023 and 31 March 2024, it's now time to lodge and pay your 2024 fringe benefits tax (FBT) returns.

Make sure you note the following in your calendars:

- The 2024 FBT year ended on 31 March 2024.
- You'll need to lodge your FBT return and pay any outstanding liability by 21 May to avoid interest and penalties
- If you're lodging electronically via a tax practitioner, the due date to lodge and pay is 25 June.
- If it is your first-time lodging with a tax practitioner, you'll need to contact them before 21 May. The agent needs to add you to their FBT client list by this date to make you eligible for the June lodgement and payment date.

If you don't need to lodge an FBT return and you're registered for FBT, you should still let the ATO know by the date your return would have been due.

While it's important to lodge and pay on time, the ATO understand there may be circumstances where you can't. If this is the case, the ATO encourages you to contact them, or speak with a tax practitioner, as early as possible. Make sure you check with your finance team of when you will receive the Reportable fringe benefit to enter.

<https://www.ato.gov.au/General/Support-to-lodge-and-pay/>

New FBT Rate tables for the FBT year

Rate for 31 March 2020 to 31 March 2025

Table 1: FBT rate for years ending 31 March 2024 to 31 March 2025

Items	FBT Rate
Motor vehicle (other than a car) – cents per km rate	0-2500 cc - .66c Over 2500cc - .77c Motorcycles - .19c
Car parking threshold	Still to be advised
Statutory or benchmark interest rate	8.77%

Reasonable food and drink amounts (per week) for LAFHA – Australia

For	FBT year ending 31 March 2025 (TD 2024/2)
One Adult	\$331
2 Adults	\$497
3 Adults	\$663
1 Adult & 1 child	\$414
2 Adult & 1 children	\$580
2 Adult & 2 children	\$663
2 Adult & 3 children	\$746
3 adults and one child	\$746
3 adults and 2 children	\$829
4 adults	\$829
Each additional adult	\$166
Each additional child	\$83

Reasonable food and drink amount for employees living away from home (LAFHA) – overseas

Cost Group	Factor
1	\$137
2	\$201
3	\$273
4	\$346
5	\$437
6	\$537

Factors to apply for family groups – overseas

Family group	Factor
2 adults	1.5
3 adults	2.0
1 Adult and 1 child	1.25
2 Adult & 1 children	1.75
2 Adult & 2 children	2.0
2 Adult & 3 children	2.25
3 adults and one child	2.25
3 adults and 2 children	2.5
4 adults	2.5
Each additional adult	50% of the relevant single adult rate in Table 1
Each additional child	25% of the relevant single adult rate in Table 1

Please find link for further rates: <https://www.ato.gov.au/rates/fbt/>

Travel time – Real Estate Award

The Fair Work Commission made changes to clarify when employees are entitled to be paid for excess travel time under the Real Estate Award. Excess travel time is extra time spent travelling from the employee's home to the other location compared to their employer's business premises.

The rules mean:

- if an employer requires their employee to start or finish work at a location that's away from the business or office premises, employees are paid for time spent travelling that is in excess of the time they normally spend travelling to their employer's usual place of business.
- this additional time is treated as time worked and the employee is paid ordinary rates or overtime rates where applicable
- employees who are required to use their own vehicle are also paid the applicable motor vehicle allowance.

Example: Employee leaves their home to attend an inspection at a client's home

Alex is a real estate agent who holds home inspections every Saturday. They have an inspection on the other side of town and the employer requires Alex to travel to the client's home which is 40 minutes away.

Alex's commute to the real estate agency's office typically takes 15 minutes. Alex is entitled to be paid for the excess travel time to the client's house. This is paid for any travel time that's in addition to the time it would usually take them to commute to the office.

The trip to the client's home takes 40 minutes and Alex's usual trip to the office takes 15 minutes, so Alex is entitled to be paid for the additional 25 minutes of travel time.

If Alex is required to use their own vehicle, they also receive the applicable motor vehicle allowance.

FAQ

Q. Can an employee take Personal leave during a period of Annual leave?

A. If an employee is sick or injured while on annual leave, the employee can use their paid personal leave instead of their annual leave. They can also use their paid Personal and carer's leave instead of their annual leave for caring responsibilities or family emergencies.

The amount of leave taken is deducted from the employee's personal and carer's leave balance. The employee should provide notice and evidence if their employer request for it.

Q. Does Annual leave & sick leave accrue during workers compensation?

A. Whether an employee is entitled to accumulate or take leave during a period of workers compensation will depend on the workers compensation law that applies to them in their State/Territory.

Section 130 of the Fair Work Act 2009 says that employees aren't entitled to accumulate or take leave during a period of workers compensation unless the workers compensation law permits it.

Here is an article from Fair work that addresses each state and territory for Annual leave and Personal leave. <https://library.fairwork.gov.au/viewer/?krn=K600454>

MEMBERS WEBINAR

Our May webinar will be held on Wednesday 29th May at 1pm (Sydney time) This month's topic will be on **Overpayments and Deductions**