

# MEMBERS UPDATE



**NOVEMBER  
2022**



In this month's members update we look at:

- Budget overview
- Paid Family and Domestic Violence leave
- Stapled super fund update
- QLD Payroll Tax Mental health levy – 1st January 2023
- Christmas Shutdown

## Welcome to the November 2022 member's update

There are only 2 months until Christmas, it's time to start planning for any Christmas shutdowns that your company is planning. You may need to discuss the timing of the announcement and start considering the impact to employees and the payroll process.

### 2022 Budget Update

Paid Parental Leave increasing to 26 weeks - The Labor Government has announced it will, over time, extend paid parental leave for families, taking this entitlement to 26 weeks.

From 1 July 2023, Parental Leave Pay and Dad and Partner Pay will be combined into a single 20 week payment. Other changes include:

- the introduction of gender-neutral claiming to allow either parent to claim
- parents being able to take weeks of Parental Leave Pay at the same time
- introducing a family income limit of \$350,000 adjusted taxable income in addition to the existing individual income limit of \$156,647.

PPL will be able to be taken in blocks between periods of paid work, and the Government will maintain "use it or lose it" weeks to encourage more dads and partners to access PPL, it says.

The extra weeks will start to apply from July 2024, with the scheme expanding by two weeks per year until reaching 26 weeks in July 2026.

More information can be found here: [Service Australia update](#)

### Paid Family and Domestic Violence leave

The legislation enables workers to access 10 days of paid family and domestic violence leave, a promise made by the Albanese government during their election campaign. The new workplace entitlement will begin from February 1 next year for all employees in Australia, including casuals.

Small businesses will have an extra six months to adjust to the changes, meaning it will come into effect from August 1, 2023.

The entitlement to paid family and domestic violence leave will be as follows:

- Permanent (FT and PT) employees – at the employees' full rate of pay, the amount they would have been paid had they not taken the leave
- Casual employees – at the employees' full rate of pay, worked out as if the employee had worked the hours in the period for which they were rostered. A casual employee is taken to have been rostered to work hours in a particular period if they have accepted an offer from an employer to work those hours.

You can read the full Bill here: [Fair Work Amendment \(Paid Family and Domestic Violence Leave\) Bill 2022](#)

Until the 1st of February 2023 or 1st August 2023 for small business your employees will still be entitled to the 5 days unpaid family and domestic leave in accordance with the current entitlements under the NES.

## Stapled Super fund Update

As we know a stapled super fund is an employee's existing super account which is linked, or 'stapled', to them and follows them as they change jobs.

### New process to request stapled super details

In December 2022, the ATO are releasing an API solution that enables employer software and payroll products to request stapled super funds. Stapled super enabled software allows you to request stapled super details from within business software. You'll no longer have to request them separately via ATO online services.

To find out if your software solution will incorporate the stapled super functionality, contact your software provider.

### Bulk request process

For bulk employer requests, when requesting stapled superannuation details for more than 100 employees at a time, the updated service standard to process such requests is 14 business days.

From mid-2023 the current bulk request process will be decommissioned. The ATO encourage employers using the bulk request process to begin discussions with their software providers regarding the solution well ahead of this date.

<https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super-for-your-business/Offer-employees-a-choice-of-super-fund/Request-stapled-super-fund-details-for-employees/>

## QLD Payroll Tax Mental health levy – 1st January 2023

From 1 January 2023, a mental health levy will be applied to payroll tax to fund mental health and associated services.

The levy:

- will apply to employers and groups of employers who pay more than \$10 million in annual Australian taxable wages
- will be applied to annual Queensland taxable wages.

Threshold based on Australian taxable wages	Levy rate
Employers or groups of employers who pay more than \$10 million	.25%
Employers or groups of employers who pay more than \$100 million	.75%

<https://www.business.qld.gov.au/running-business/employing/payroll-tax/calculating/thresholds>

## QLD Payroll Tax Changes from January 2023

From 1 January 2023, the deduction range will increase, which means a reduction in payroll tax for small and medium businesses. For annual Australian taxable wages over the \$1.3 million threshold, the deduction will change to \$1 for every \$7 of taxable wages over this amount.

[https://www.business.qld.gov.au/designs/content/guide-printing2?parent=74431&SQ\\_DESIGN\\_NAME=print\\_layout#:~:text=Changes%20from%20January%202023,taxable%20wages%20over%20this%20amount](https://www.business.qld.gov.au/designs/content/guide-printing2?parent=74431&SQ_DESIGN_NAME=print_layout#:~:text=Changes%20from%20January%202023,taxable%20wages%20over%20this%20amount)

## Christmas Shutdown

With Christmas around the corner, it is time to start planning for any Christmas shutdown plans.

An employee can be directed to take annual leave during a shut down if their award or registered agreement allows it. Most awards have rules about how and when an employer can direct an employee to take leave. For example, an employer may need to give the employee a set amount of notice (eg. 4 weeks) that they will need to take annual leave.

If an employee isn't covered by an award or an agreement, their employer can direct them to take annual leave if the direction is reasonable. An employer and employee can agree that the employee takes annual leave (including in advance of accrual) or unpaid leave for the shut down time. The employee can't be forced to take unpaid leave, unless an award or agreement allows for it, so if an agreement can't be reached with their employer, they may need to be paid their ordinary pay for the time.

Further information can be found here: [Fair Work direction to take leave during a shut down period](#)

## Payroll Compliance

### Effective management of modern awards & agreements

Companies are responsible for interpreting and keeping up-to-date with relevant modern awards. Modern awards are based on industry or occupation and generally have conditions relating to:

- Minimum wages
- Wage or salary annual arrangements
- Allowances
- Leave, leave loading & taking leave arrangements
- Super
- Employment types (FTE, PTE or casual)
- Work arrangements (rostering or variations to hours)
- Overtime & penalty rates
- Consultation, representation & dispute settlement procedures

Maintaining compliance with awards can be a key challenge for payroll considering the rules are difficult to interpret. The main components include:

- Understanding the industrial relations framework (IFA) in Australia
- Learning which modern award/s will apply to their employees
- Staying informed about what can be done within the national workplace relations system and the bodies associated with it
- Research the award clauses that affect pay including ordinary hours, overtime, penalty rates & allowances
- Determining if you have additional super obligations
- Identifying when an award has been varied & how to find a past variation
- Taking advantage of the tools provided by the Fair Work Ombudsman

Enterprise agreements set out minimum employment conditions and can apply to one business or a group of businesses. When a workplace has a registered agreement, the award doesn't apply. However, the base pay rate in the registered agreement can't be less than the base pay rate in the award, the NES and any terms about outworkers in the award still apply.

**If you need assistance with understanding your awards you might want to consider registering for our Understanding Modern Awards course.**

<https://www.austpayroll.com.au/classroom-payroll-courses/>

## FAQ

### Q. What leave can employees use during the flooding in parts of Australia?

A. There are several paid and unpaid leave entitlements employees may be able to access if they are affected by the floods or to assist with emergency management activities. These include:

- annual leave – if the employer and employee agree
- sick and carer's leave – If the employee is unwell or injured
- community service leave – If employees are assisting with voluntary emergency management activities.
- Defence Reservists – If your employee is called as a Defence Reservists to assist with the floods.

<https://www.fairwork.gov.au/newsroom/news/queensland-and-northern-new-south-wales-floods>

## Members Webinar



Please join us for our members webinar where we will be looking at **“What constitutes remuneration for payroll tax purposes?”**.  
Join us on **Tuesday 22nd November 2022 at 1pm (Sydney time)**.

**CLICK HERE TO REGISTER**