

MEMBERS UPDATE



**JANUARY
2021**



In this month's members update we look at:

- JobKeeper extension dates for January
- JobKeeper 2.0 Extension 2
- Changes to junior rates in the General Retail Award
- New rates under the SCHADS award
- NSW Payroll Tax changes
- STP Phase 2 legislative instrument
- Industrial relations reform

Happy New Year and welcome to the January 2021 members update!

There were several announcements made in the latter part of December in regards to proposed changes to our industrial relations landscape which have gained significant media attention, and there have also been further updates to awards as part of the 4-yearly modern award review being conducted by Fair Work. Further to this, JobKeeper is always evolving and keeping us busy, and the ATO is open for submissions in regards to STP Phase 2.

JobKeeper extended reporting dates for January

Due to the public holidays and many businesses shutting down over the holiday period, the ATO have extended some key dates for JobKeeper as follows:

- Business monthly declarations for JobKeeper fortnights 18, 19 and 20 are now due 28 January 2021
- For JobKeeper fortnights 21 and 22 (starting Monday 4 January 2021 and Monday 18 January 2021), you will have until Sunday 31 January 2021 to meet the wage condition for your eligible employees. This is to make sure that you have paid your eligible employees before claiming JobKeeper payments in your February monthly business declarations.

JobKeeper 2.0 extension 2

A reminder that from fortnight 21 (commencing Monday 4 January 2021) the JobKeeper Tier rates have reduced as follows:

- Tier 1: \$1,000 per fortnight (before tax)
- Tier 2: \$650 per fortnight (before tax).

Further information can be found here:

<https://www.ato.gov.au/General/JobKeeper-Payment/JobKeeper-extension-announcement/?anchor=JobKeeper-extension2#JobKeeperextension2>

Changes to junior rates of pay in the General Retail Industry Award 2020

As part of the Fair Work Commission's 4-yearly review, a proposed change to junior rates in the General Retail Industry Award have been announced, with an effective date of 1 May 2021.

Clause 17.2 of the award will be varied so that junior rates will only apply to classification levels 1 to 3 in the award. This means that any employee classified level 4 or above will be required to be paid the full minimum adult rate of pay, regardless of their age.

New rates under the Social, Community, Home Care and Disability Services Industry Award 2010 (SCHADS award)

The Fair Work pay guides and pay calculator (P.A.C.T) have been updated to reflect the final increase under the Equal Remuneration Order, which was effective from the first full pay period after 1 December 2020.

Note that there are continuing transitional arrangements for non-constitutional corporation employers for employees in Queensland.

NSW Payroll Tax changes

Last month we advised that the NSW government had introduced proposed changes to Payroll Tax, reducing the payroll tax rate and increasing the annual threshold. This legislation change has now been enacted and the payroll tax rate has reduced to 4.85%, backdated to 1 July 2020. The payroll tax threshold has also been increased to \$1,200,000, effective 1 July 2020.

As a result of the changes being backdated, Revenue NSW has provided substantial information on how to calculate your payroll tax liability, and how to reduce your payments for any overpayments of payroll tax related to previous months already paid.

You can find further information here https://www.revenue.nsw.gov.au/taxes-duties-levies-royalties/payroll-tax/payroll-tax-2020-2021-frequently-asked-questions?SQ_VARIATION_937894=0

STP Phase 2 Legislative Instrument

The ATO has released the legislative instrument which confirms that STP Phase 2 will have a mandatory commencement date of 1 July 2021, (and a voluntary commencement date of 1 January 2021).

The ATO are currently in the consultation phase of this legislative instrument, and are taking submissions until 14 January 2021. <https://www.ato.gov.au/General/Consultation/What-we-are-consulting-about/Open-consultation/>

At this time the ATO are still working with payroll software providers in regards to the technical specifications of STP Phase 2, so your software providers are unlikely to be able to provide further information to you at this time. If your organisation is concerned in regards to the time-frame for the implementation of STP Phase 2, we recommend that you engage with the ATO through a submission during the consultation process, at **SingleTouchPayrollPhase2@ato.gov.au**

Industrial Relations Reform

The Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2020 has been introduced to parliament, with a lot of media coverage to go along with it. We expect there to be many announcements over the coming months as the Bill is debated in parliament. At this stage, the proposed changes include:

- Award simplification – 12 awards covering the retail and hospitality sectors may be amended to provide for part-time employees to be paid their ordinary rate for additional hours worked rather than overtime rates
- Casual employment – providing clarity over what constitutes a casual employee and making the process easier for a casual to convert to permanent part-time or full-time
- Enterprise Bargaining – simplifying the BOOT test
- Compliance and enforcement – introducing new criminal penalties for employers who deliberately exploit their workers

This will be a very interesting space to watch over the coming months.



Please join us for our January's members webinar where we will be discussing **"Overpayments and Deductions"** to be held on **20th January at 1pm.**

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