

# MEMBERS UPDATE



**JANUARY  
2022**



In this month's members update we look at:

- Victorian Payroll Tax Surcharge
- Schedule X in certain awards extended
- Child Support Protected Earnings

## Welcome to the January 2022 member's update

This is the first month of 2022, and we want you to start strong in payroll, as such we wanted to focus on the Victorian Payroll Tax surcharge and update you on Schedule X in certain awards and the new Child Support Protected Earnings amounts have been released.

We also want to start highlighting Payroll Compliance each month for your payroll team and suggest areas that you may want to focus on to reduce errors in your Pay run procedures. Let's make a new year resolution for our payroll teams that we make 2022 one of compliance.

## Victorian Payroll tax surcharge: "Mental health and wellbeing levy"

From 1 January 2022, a new levy relating to mental health and wellbeing will be implemented as a payroll tax surcharge on wages paid in Victoria by employers or groups of employers (businesses) with national payrolls exceeding AUD 10 million per financial year. The following surcharge rates will be applied to the Victorian share of wages above the relevant threshold:

- For businesses with national payrolls over AUD 10 million: 0.5%; and
- For businesses with national payrolls over AUD 100 million: 0.5% for wages in excess of AUD 10 million but below AUD 100 million; and 1.0% for wages in excess of AUD 100 million.

Existing payroll tax exemptions for private schools, hospitals, charities, local councils, and wages paid for parental and volunteer leave will apply for the levy.

To see more information [click here](#)

## Schedule X has been extended to 30 June 2022

The Fair Work Commission (FWC) have announced that Schedule X – Covid-19 Award Flexibility - has been extended to 30 June 2022 in a number of awards.

To view the list of impacted awards see the Fair Work determination [click here](#) and select "Determination - multiple modern awards"

## Child Support Protected Earnings effective 1 January 2022

The Protected Earnings Amount (PEA) is the part of an employee's or contractor's wages that are exempt from child support deductions. The PEA is adjusted on 1 January each year to allow for increases in the cost of living.

### PEA rates for 2022

The following rate applies from 1 January 2022:

Weekly rate	\$429.98
Fortnightly	\$859.96 (weekly rate x 2)
Four week period	\$1719.92 (weekly rate x 4)
Monthly period	\$1869.65 (daily rate x 30.4375)

## Payroll Compliance

### **This month make sure that your Pay run procedure is up to date**

Policies and procedures are an essential part of any organisation. Together, policies and procedures provide a roadmap for day-to-day operations. They ensure compliance with laws and regulations, give guidance for decision-making, and streamline internal processes.

Payroll procedures don't have to be lengthy or cumbersome, but they should provide guidance so that someone with payroll knowledge would be able to complete the pay run.

However, policies and procedures won't do your organisation any good if the team don't know about them or follow them. Checklists summarising the process can help ensure that procedures are being followed.

## FAQ

### **Q. If an employee is sick on a public holiday, do they have to use paid sick leave for that day?**

**A.** No, if a public holiday falls during a period of sick leave and it's on a day the employee normally works, it's paid as a public holiday. That means the employees sick leave balance isn't deducted for the time.

### **Q. If an employee is sick while on Annual leave do you pay it as Annual leave or Personal leave?**

**A.** If an employee is full-time or part-time, they are entitled to take paid sick leave instead if they become ill or injured while on annual leave.

It's important that the employee lets you know that they are taking sick leave ASAP. You can ask for evidence for the sick leave period (such as a medical certificate or statutory declaration).

## Members Webinar



Please join us for our January members webinar where we will be looking at "RESC – Reportable Employer Superannuation Contributions". Join us on Thursday 20th of January 2022 at 1pm.

[\*\*CLICK HERE TO REGISTER\*\*](#)