



Members Update

Dear member,

Welcome to the July 2019 member's update.

This month will provide you with an update on the key rates and threshold changes for 2019-2020 and address some common questions from our members.

Key rates and Thresholds summary effective 1/7/2019 (for payroll professionals)

Australian Taxation Office	
Tax free portion of a Genuine Redundancy payment	Base Limit = \$10,638
	For each completed year of service = \$5320
ETP Life/Death Benefit	\$210,000
Whole of Income Cap	\$180,000
Reasonable Overtime Meal Allowances	\$31.25
Superannuation maximum contributions base	\$55,270
Concessional contributions cap	\$25,000

Fair Work and Human Services	
Weekly Minimum Wage	\$740.80
High Income Threshold	\$148,700
Child Support Protected Earnings (1/1/2019)	\$372.53 (weekly), \$745.06 (fortnightly), \$1619.84 (monthly)

FBT	
Gross up rate Type 1 (with GST)	2.0802
Gross up rate Type 2 (no GST)	1.8868* (this is the grossed up rate used for all Fringe Benefits for payment summary/STP reporting)
FBT Rate	47%
For a complete list of FBT rates (including benchmark interest rate, car parking, LAFHA etc)	https://www.ato.gov.au/rates/fbt/

Payroll Tax		
State	Threshold	Percentage
ACT	\$2,000,000	6.85%
NSW	\$900,000	5.45%
NT (diminishing)	\$1,500,000	5.50%
QLD (diminishing)	\$1,300,000 - \$6,500,000	4.75%
	> \$6,500,000	4.95%
	Regional - up to \$6,500,000	3.75%
	Regional - over \$6,500,000	3.95%
SA	\$1,500,000 - \$1,700,000	0% - 4.95%
	> \$1,700,000	4.95%
TAS	\$1,250,000 to \$2,000,000	4.00%
	Over \$2,000,000	6.10%
VIC	\$650,000	4.85% (2.425% regional)
WA \$850,000 (diminishing)	\$850,000 - \$100,000,000	5.50%
	\$100,000,000 - \$1.5billion	6.00%
	> \$1.5billion	6.85%
Payroll tax allowances (exempt component)		
Car	68c	
Accommodation	\$280.75	

PAYG withholding

The Federal Budget did not result in any changes to tax rates or income thresholds for the 2019-20 income year. Changes announced to the low and middle income tax offsets were only in respect of the amount of that offset, and that is claimable when individuals lodge their income tax return.



The HELP/SSL/TSL tax tables will be renamed '*Study and training support loans tax tables*'. They will incorporate HELP, VSL, SFSS, SSL, ABSTUDY SSL and TSL. There will no longer be separate SFSS tax tables. These changes arise from the passing of the Sustainability and VSL Separation Bills in 2018.

You will need to refer to the applicable '*Study and training support loans tax table*' wherever any existing tax tables refer to HELP/SSL/TSL or SFSS tax tables.

The [member's portal](#) has been updated with a number of resources and templates including the 2019-2020 Redundancy Calculator, Salary Packaging Worksheet and Long Service Leave Matrix.

Frequently Asked Member Queries

We've compiled a list of some tricky, commonly asked member queries for you to take a look at.

If you are unsure on any aspects, email helpdesk@austpayroll.com.au. Our members portal is also a great place to go for information. Its stocked full of resources, calculators and fact sheets.



1. Are unused RDOs/TOIL paid out on termination subject to superannuation?

We had previously been advised by the ATO that these payments were superable. However, recent correspondence received indicates that the payments are not subject to superannuation. We strongly suggest that an employer requests a private ruling as the ATO have advised that they will assess each case based on the relevant circumstance pertaining to the accrual and rate of payment for these Employment Termination Payments.**

2. Can we offset overpaid superannuation from one quarter against a subsequent quarter?

Again, we have previously been advised that the answer to this was “No – you will need to request a refund from the Superannuation Fund.” However, recent correspondence received by the Commission provides that “The employer will need to ensure that the employee is aware that they have been overpaid SG and that an adjustment will be made in the following quarter. The employer could request a refund from the fund for a terminated employee.” **

**** The advice provided by the Commissioner is not binding**

3. For STP reporting purposes, how is a Motor Vehicle allowance categorised?

The employer will need to determine whether the allowance being paid to the employee is a deductible or non-deductible expense. As per table 1) [here](#).

Allowance Type	Examples	STP Field
Non-deductible expenses	<ul style="list-style-type: none">• Part-day travel (no overnight absence from employee's ordinary place of residence)• Meals (not award overtime meal allowance or overnight travel allowance)• Motor vehicle for non-deductible travel – eg home to work, including cents per kilometre payments	Gross PAYEVNTEMP47
Deductible expenses	<ul style="list-style-type: none">• Tools• Compulsory uniform or dry cleaning• Motor vehicle for work-related travel, including cents per kilometre payments in excess of ATO rate• Overseas accommodation for deductible travel	Other PAYEVNTEMP8

On the subject of the motor vehicle allowance, we are often asked “*the accountant has advised that we are not to withhold PAYG – is this correct?*”

Absolutely NOT – again, as per the above link, the payer/employer is required to withhold PAYG from this allowance (unless the employer has received a withholding variation directly from the ATO to alter the amount of PAYG withheld)

4. Does a worker’s overseas service count when determining the length of service and the tax free portion of a genuine redundancy payment to the worker

The ATO have advised that “the company would have to have an agreement in place that the years of service in America would count towards any redundancy payment when the employee signed their contract before commencing their employment back in Australia. And if the employer is recognising the overseas service for determining severance entitlements, then this period of service will also count towards the tax free portion calculation.



The **July 2019 Members Webinar** will be held on **Wednesday 24th July** at 11:30 am.

Topic: ***“Understanding Employment Termination Payments and Genuine Redundancy Payments”***

[REGISTER HERE](#)

Kind Regards,

Maria Nikoletatos