



Members Update

Dear member,

Welcome to the May 2020 members update.

This month's update looks at some recent Award updates, provides some additional ATO links and information for Jobkeeper eligibility, registration, nominations and declaration purposes, and finally we look at the information we have received to date from State/Territory governments on how the Jobkeeper payments interact with Payroll Tax, Portable Long Service Leave and Workers Compensation declarations/returns.

AWARD UPDATES

You may or may not be aware that as part of the 4 yearly annual wage review, Fair Work have updated many of their Awards.

We provided a link in our February 2020 members update identifying the first group of Awards that were varied as at 4 February 2020. The next group of Awards have been updated as at 13 April 2020 and 04 May 2020 with the final groups of Awards to be updated 29 May 2020 and 18 June 2020.

A list of Awards is available as per the following link – Awards that have been varied can be identified by the year 2020 in their title – [click here for more information](#)

On 24 April 2020, the Fair Work Commission made a determination varying the **Educational Services (Schools) General Staff Award**. A temporary new Schedule J will apply from an employee's first full pay period on or after 24 April 2020 until 1 August 2020. Schedule J provides that ***an employer can issue a notice in writing of their intention to direct that a full-time or part-time employee's ordinary hours be reduced by up to 25%.***

Immediately after issuing the employee with a notice of intention to reduce their hours, the employer must:

- discuss the reason behind the direction with the employee or the employee's representative.
- notify the Independent Education Union (IEU) of its intention to implement changes to an employee's ordinary hours.

The direction comes into effect 5 days after the notice of intention is issued and can't apply for longer than 12 weeks.

Employees continue to accrue their annual leave, sick or carer's leave, and other award entitlements that accrue, based on their ordinary hours before the reduction. Payment for any annual leave and sick or carer's leave taken is also based on the employee's ordinary hours before they were reduced.

If an employer needs to reduce an employee's hours by more than 25% or make a role redundant, they need to comply with the consultation and redundancy obligations in the award.

The coverage clause of the **Miscellaneous Award 2010** – effective 1 July 2020 - will extend to cover employees up to and including trade qualification level who are not already covered by another modern award and who are not excluded from coverage by the FW Act. The main changes that employers need to be aware of are:

- senior employees are now eligible to be covered by the Miscellaneous Award
- national system employees who perform work that is low-skilled, semi-skilled or requires a trade qualification will also be covered under the Miscellaneous Award

ATO JOBKEEPER LINKS

Eligible employees -

<https://www.ato.gov.au/General/JobKeeper-Payment/Employees/Eligible-employees/>

Key Jobkeeper dates -

<https://www.ato.gov.au/General/JobKeeper-Payment/In-detail/JobKeeper-key-dates/>

ATO Jobkeeper fortnights -

<https://www.ato.gov.au/General/JobKeeper-Payment/In-detail/JobKeeper-key-dates/#JobKeeperfortnights>

JobKeeper guide – employers reporting through STP -

<https://www.ato.gov.au/general/jobkeeper-payment/In-detail/JobKeeper-guide---employers-reporting-through-STP/>

JobKeeper guide – employers not reporting through STP -

<https://www.ato.gov.au/general/jobkeeper-payment/In-detail/JobKeeper-guide---employers-not-reporting-through-STP/>

UPDATE ON JOBKEEPER IMPLICATIONS FOR PAYROLL TAX, LONG SERVICE LEAVE AND PORTABLE LONG SERVICE LEAVE, AND WORKERS COMPENSATION DECLARATION OF WAGES

We have contacted the State/Territory agencies to determine how the Jobkeeper payments interact with payroll tax, long service leave/portable long service leave, and workers compensation declaration of wages.

<u>Payroll tax</u> - we will keep you updated if this changes			
ACT	NSW	NT	QLD
Jobkeeper payments/subsidies exempt	Subject to payroll tax at this stage.	Subject to payroll tax at this stage.	Subject to payroll tax at this stage.
SA	TAS	VIC	WA
Jobkeeper payments/subsidies exempt	Jobkeeper payments/subsidies exempt	<i>Exempt - Not subject to payroll tax** only the top-up payment is exempt</i>	Jobkeeper payments/subsidies exempt

<u>Portable Long Service leave returns</u> - we will keep you updated if this changes			
ACT	NSW	NT	QLD
Jobkeeper payments are included as gross wages when lodging returns	Jobkeeper payments are included as gross wages when lodging returns (also included when calculating the levy for Building and Construction Industry)	Jobkeeper payments are included as gross wages when lodging returns	Jobkeeper payments are included as gross wages when lodging returns (also included when calculating the levy for Building and Construction Industry)
SA	TAS	VIC	WA
Jobkeeper payments are included as gross wages when lodging returns	Jobkeeper payments are included as gross wages when lodging returns	Jobkeeper payments are included as gross wages when lodging returns	Jobkeeper payments are included as gross wages when lodging returns

General approach to **Workers Comp declarations** – we will keep you updated if this changes:

Category	Example	Employer obligation to access JobKeeper Payment Scheme	Consequence
Employee stood down without pay	Employee does not receive pay	Employer pays employee \$1,500 per fortnight (top-up payment)	The \$1,500 top-up payment will <u>not</u> be 'wages'
Employee currently earning a wage of more than \$1,500 per fortnight	Employee earns \$2,500 per fortnight	Employer pays employee current wage of \$2,500 The employer receives the JobKeeper subsidy of \$1,500	\$2,500 is 'wages' and will be required to be included in wages declaration for 2019-2020.
Employee currently earning exactly \$1,500 per fortnight	Employee earns \$1,500 per fortnight	Employer pays employee current wage of \$1,500 The employer receives the JobKeeper subsidy of \$1,500	\$1,500 is 'wages' and will be required to be included in wages declaration for 2019-2020.
Employee currently earning a wage of less than \$1,500 per fortnight	Employee earns \$500 per fortnight	Employer pays employee \$1,500 per fortnight INCLUDING: <ol style="list-style-type: none"> 1. current wage of \$500 per fortnight 2. \$1,000 necessary to top-up the employee to \$1,500 per fortnight (top-up payment) 	\$500 is 'wages' and will be required to be included in wages declaration for 2019-2020. The \$1,000 top-up payment will <u>not</u> be 'wages'

MEMBERS WEBINAR:

Please join us for our monthly webinar to be held on **20th May at 1pm.**

Topic: Allowances - PAYG Withholding, Reporting and Superannuation Obligations

[REGISTER HERE](#)