



# MEMBERS UPDATE

————— **APRIL 2024** —————

# Welcome to the April 2024 member's update

In this month's members update we look at:

- ATO updated rates and thresholds 2024-25
- Rate of pay increases for aged care workers
- WA Workers Compensation Legislation
- Changes to government paid parental leave



# ATO updated rates and thresholds 2024-25

Life/Death Benefit ETP Cap	\$245,000
Tax free portion of a genuine redundancy and early retirement scheme payment	Base limit \$12,524 plus \$6,264 for each year of completed service
Maximum Superannuation Contribution Base	\$65,070
Concessional Contribution Cap	\$30,000
Non-Concessional Contribution Cap	\$120,000

## Rate of pay increases for Aged Care workers under the Aged Care, Nurses and SCHADS awards

On 15th March the Fair Work Commission issued its determination for increasing the wages for aged care workers employed under the Aged Care Award, Nurses Award, and Social, Community Services, Home Care and Disability Services Award.

These increases are inclusive of the interim 15% increases granted on 30 June 2023.

You can find the detail of the determination here - <https://www.fwc.gov.au/documents/decisionsigned/pdf/2024fwcfb150.pdf>

### Next steps

The Fair Work Commission has issued draft determinations for these three awards and is now accepting submissions and responses on the draft determinations, including feedback on timing and phasing in of the increases.

Draft Determinations:

Aged Care Award - <https://www.fwc.gov.au/documents/awards/variations/2021/am202099-63-65-draftdet-aged-150324.pdf>

Nurses Award - <https://www.fwc.gov.au/documents/sites/work-value-aged-care/am202099-63-65-draftdet-nurses-150324.pdf>

SCHADS Award - <https://www.fwc.gov.au/documents/sites/work-value-aged-care/am202099-63-65-draftdet-schads-150324.pdf>

You can find further information, including how to file a submission, [here](#)

## WA Workers Compensation Legislation

Western Australia has completely overhauled its workers compensation legislation, with the new Workers Compensation and Injury Management Act 2023 coming into effect from 1 July 2024.

The key changes for payroll include:

- the timing of the 'step down' to a reduced rate of workers compensation payments. Currently the step down occurs at 13 weeks. This has been extended to 26 weeks under the new legislation.
- The weekly rate of workers compensation will be calculated over one year prior to the injury

occurring (previously this was 13 weeks), or a lesser period if the employee has not been employed for a year.

You can find the new Act [here](#)

## Changes to Government Paid Parental Leave

The Paid Parental Leave Amendment (More Support for Working Families) Bill 2023 was passed by parliament on 18 March 2024. This change will increase the government paid parental leave entitlement from the current 20 weeks to 26 weeks by 1 July 2026, as follows

- From 1 July 2024 to 22 weeks
- From 1 July 2025 to 24 weeks
- From 1 July 2026 to 26 weeks

By 2026, a total of 4 weeks will be reserved for each parent on a 'use it or lose' it basis (currently 2 weeks is reserved). This will help to encourage greater sharing of care responsibilities.

<https://www.dss.gov.au/our-responsibilities/families-and-children/programs-services/paid-parental-leave-scheme>

## LSL compliance activity in NSW

The NSW Industrial Relations Inspectorate's Strategic Investigation Unit is currently ramping up LSL compliance audits on specific industries, being:

- Retail
- The Care sector
- The Education sector
- Finance and Technology
- Entertainment and Culture

Employers in these sectors should be reviewing their LSL records to ensure that these are easily accessible should they need to be made available to the Strategic Investigation Unit.

If you're not sure whether you are meeting your LSL obligations, our LSL Masterclass can be booked [here](#)

We can also assist employers with reviewing their LSL and assisting in remediation of LSL payments through our Advisory team. [Contact us](#) for further information.

## Cashing out of leave entitlements

An employee may request to have some or all of their leave cashed out. Before you grant this request, check that leave cash outs are actually permitted.

### Annual Leave

Annual leave can be cashed out if the employees' industrial instrument specifically has a clause allowing it.

- Awards – cashing out of annual leave is allowable under most awards, with a maximum of 2 weeks

allowed to be cashed out in any 12 month period. Check your award for further details

- Agreements (e.g. EAs or EBAs) – cashing out of annual leave is only allowable if the agreement specifically allows for it. The terms for the cash out will be as per the agreement. If the agreement does not have a cash out clause then annual leave cannot be cashed out.
- Award/Agreement free – Award and Agreement free employees can make an agreement with the employer to cash out annual leave.

For all annual leave cash outs:

- The agreement must be in writing
- The amount must be the same as it the employee was taking a period of leave
- The employee MUST have a balance of at least 4 weeks remaining after the cash out has occurred

## Long Service Leave

Long Service can only be cashed out in South Australia, Tasmania and Western Australia.

In Queensland, LSL may be able to be cashed out if an Enterprise Agreement allows it, or if the employee applies to the Industrial Relations Commission for a cash out on the grounds of financial hardship. The commissioner needs to approve this prior to the cash out.

The ACT, New South Wales, Northern Territory and Victoria do not allow LSL to be cashed out.

## Personal/Sick/Carers Leave

Sick leave can only be cashed out under the Timber Industry Award and the Stevedoring Industry Award. Check these awards for the terms and conditions of the cash out.

No other employee can cash out sick leave, whether covered by an Award, Agreement, or an award/agreement free employee.

## FAQ

### Q. How do I process a cash out of RDOs or Time of in lieu (TOIL)?

A. When cashing out RDOs and TOIL while an employee is still employed, PAYG needs to be withheld at marginal rates, using Schedule 5 – Tax Table for back payments, commissions, bonuses and similar payments.

For STP reporting purposes:

- Cash out of RDO – report as a Paid Leave Type C – cash out of leave in service
- Cash out of TOIL – report as Overtime

Cash outs of RDOs are OTE and therefore subject to superannuation. Cash outs of TOIL are not OTE and therefore not subject to superannuation.

## Contacting the Helpdesk

Need a written response for your payroll enquiries? We offer two convenient ways to get the written responses you need from our helpdesk.

Members Portal Submission: Simply log into our members portal and submit your query. Our dedicated team will attend to your request, ensuring you receive a detailed and tailored response to address your

concerns effectively.

Email: Alternatively, you can reach out to us via email at [helpdesk@austpayroll.com.au](mailto:helpdesk@austpayroll.com.au). Drop us a message outlining your query, and our expert support staff will provide you with comprehensive assistance directly to your inbox.

Whether you prefer the ease of online submission through our portal or the familiarity of email communication, we are committed to delivering prompt and reliable support to meet your payroll needs.

## New addition to our Payroll Solution & Services Learning Centre - Flare HR

Flare is Australia's leading benefits provider, revolutionising employee engagement and retention with our free, digital-first platform.

Empower employees with tools for financial security and meaningful benefits that elevate savings. With Flare, every employee enjoys the perks they deserve, driving your business to new heights with a happier, more productive team. By aligning employee post-tax perks with essential pre-tax financial services, Flare ensures that employees across the board maximise their take-home pay, fostering a thriving workplace for everyone.

Learn more about [Flare HR here](#)

### MEMBERS WEBINAR

Our April webinar will be held on Wednesday 24th April at 1pm (Sydney time) This month's topic will be an **Overview of weekly rates of pay for Workers Compensation**