



MEMBERS UPDATE

————— JULY 2024 —————

Welcome to the July 2024 member's update

In this month's members update we update our payroll quick reference guide, summarising all the rates and thresholds you need to know, including:

- Genuine Redundancy Tax Free Limit
- ETP Cap
- Superannuation Maximum Contribution Base
- Payroll Tax
- Income Tax Rates
- Child Support Protected Earnings

And more!



Payroll Quick Reference Guide 2024 – 2025

Terminations				
Tax on Leave on Termination				
Payment Type:	Reason:	Accrual Dates:	Withholding rates (including Medicare Levy):	Income Statement Label:
Annual Leave & Leave Loading	Normal termination (e.g., Voluntary resignation, employment terminated due to inefficiency, retirement)	Pre 18 August 1993	32%	Leave Sum A, Type Code T
		Post 17 August 1993	Marginal rate	Include in Paid Leave Type U
	Termination because of genuine redundancy, invalidity or approved early retirement scheme		32%	Leave Sum A, Type Code R
Long Service Leave	Normal termination (e.g., Voluntary resignation, employment terminated due to inefficiency, retirement)	Pre 16 August 1978	5% of total @ marginal rate	Lump Sum B
		16 August 1978 to 17 August 1993	32%	Leave Sum A, Type Code T
		Post 17 August 1993	Marginal rate	Include in Paid Leave Type U
	Termination because of genuine redundancy, invalidity or approved early retirement scheme	Pre 16 August 1978	5% of total @ marginal rate	Lump Sum B
		16 August 1978 to 17 August 1993	32%	Leave Sum A, Type Code R
		Post 17 August 1993	32%	Leave Sum A, Type Code R
Genuine Redundancy or Approved Early Retirement Schemes				
	Base Limit	For each completed year of service		Income Statement Label:
Tax free up to:	\$12,524	\$6,264		Lump Sum D
Amounts over the tax free portion	Employment Termination Payment (ETP) - see table below			
Pension Age				
Pension age is determined by the employee's year of birth. The following table summarises the current legislated pension age				
1 January 1954 to 30 June 1955	66 years		1 July 2019	
1 July 1955 to 31 December 1956	66 years and 6 months		1 July 2021	
On or after 1 January 1957	67 years		1 July 2023	
* The employee must be dismissed before the day they reach pension age for it to be a genuine redundancy.				

Terminations

Employee Termination Payments:

Income component derived by your employee in the income year	Age of person at the end of the income year that the payment is received	Component subject to PAYG withholding	Withholding rates (including Medicare Levy):	Cap to apply
**Life benefit ETP – taxable component Payment is because of: early retirement scheme genuine redundancy, invalidity compensation for personal injury, unfair dismissal, harassment or discrimination.	Under preservation age (see preservation age table)	Up to the ETP cap amount	32%	ETP cap
	Preservation age or over (see preservation age table)	Up to the ETP cap amount	17%	ETP cap
	All ages	Amount above the ETP cap amount	47%	ETP cap
**Life benefit ETP – taxable component Payment is: a 'golden handshake' non-genuine redundancy payment severance pay, a gratuity, in lieu of notice, for unused sick leave for unused rostered days off.	Under preservation age (see preservation age table)	Up to the relevant cap amount	32%	Smallest of ETP cap and whole-of-income cap
	Preservation age or over (see preservation age table)	Up to the relevant cap amount	17%	Smallest of ETP cap and whole-of-income cap
	All ages	Amount above the relevant cap amount	47%	Smallest of ETP cap and whole-of-income cap
Death benefit ETP paid to non-dependants – taxable component	All ages	Up to the ETP cap amount	32%	ETP cap
		Amount above the ETP cap amount	47%	ETP cap
Death benefit ETP paid to dependants – taxable component	All ages	Up to the ETP cap amount	Nil	ETP cap
		Amount above the ETP cap amount	47%	ETP cap
Death benefit ETP paid to a trustee of a deceased estate	All ages	-	Nil	-

Employment Termination Payment Caps

	ETP Cap	Whole of Income Cap
Current ETP Caps:	The ETP cap is a limit on how much of the ETP receives concessional tax treatment. The amount over this cap will be taxed at the highest marginal tax rate.	The employee's assessable income is taken into account when taxing the ETP (e.g., YTD assessable income, unused AL/ LSL, etc.). The amount over this cap will be taxed at the highest marginal tax rate.
	\$245,000.00	> \$180,000.00

Terminations

Preservation age

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
From 1 July 1964	60

Notice Periods (NES)

Not more than 1 year	1 week
More than 1 year, but not more than 3 years	2 weeks
More than 3 years, but not more than 5 years	3 weeks
More than 5 years	4 weeks

****The relevant notice period increases by 1 week if the employee is over 45 years old and has completed at least 2 years' continuous service with the employer.**

Redundancy Pay (NES)

At least 1 year but less than 2 years	4 weeks
At least 2 years' but less than 3 years	6 weeks
At least 3 years' but less than 4 years	7 weeks
At least 4 years' but less than 5 years	8 weeks
At least 5 years' but less than 6 years	10 weeks
At least 6 years' but less than 7 years	11 weeks
At least 7 years' but less than 8 years	13 weeks
At least 8 years' but less than 9 years	14 weeks
At least 9 years' but less than 10 years	16 weeks
At least 10 years	12 weeks

****Check your award, industrial instrument or employee contracts for potential different entitlements for notice periods or redundancy pay**

Individual Tax Rates

Resident tax rates 2024 - 2025

Taxable income:	Tax on this income:
0 – \$18,200	Nil
\$18,201 – \$45,000	16c for each \$1 over \$18,200
\$45,001 – \$135,000	\$4,288 plus 30c for each \$1 over \$45,000
\$135,001 – \$190,000	\$31,288 plus 37c for each \$1 over \$135,000
\$190,001 and over	\$51,638 plus 45c for each \$1 over \$190,000
	The above rates do not include the Medicare levy of 2%.

Foreign Resident Tax rates 2024 - 2025

Taxable income:	Tax on this income:
0 – \$135,000	30c for each \$1
\$135,001 – \$190,000	\$40,500 plus 37c for each \$1 over \$135,000
\$190,001 and over	\$60,850 plus 45c for each \$1 over \$190,000

Working Holiday Makers 2024 - 2025

Taxable income:	Tax on this income:
0 – \$45,000	15c for each \$1
\$45,001 – \$135,000	\$6,750 plus 30c for each \$1 over \$45,000
\$135,001 – \$190,000	\$33,750 plus 37c for each \$1 over \$135,000
\$190,001 and over	\$54,100 plus 45c for each \$1 over \$190,000

Tax Tables

<https://www.ato.gov.au/tax-rates-and-codes/tax-tables-overview>

Child Support Protected Earnings Amounts from 1 January 2024 to 31 December 2024

Pay cycle	PEA calculation
Weekly	\$514.50
Daily	$\$514.50 \div 7 \text{ days} = \73.50000
Fortnightly	$\$514.50 \times 2 \text{ weeks} = \$1,029.00$
4 weekly	$\$514.50 \times 4 \text{ weeks} = \$2,058.00$
Monthly	$\$73.50000 \times 30.4375 \text{ days per month} = \$2,237.16$

High Income Threshold

\$175,000

ATO Cents Per
Kilometre Rate

.88c per kilometre**

Tax free for the first 5,000 business kms reimbursed each financial year

ATO Overtime Meal Allowance Reasonable Amount

\$37.65

Overtime meal allowances up to the reasonable amount are not taxable or reportable. Amounts above the reasonable amount are taxable, with the whole amount reported as MD

ATO Reasonable Travel Allowance Amounts

TD2024/3

<https://www.ato.gov.au/law/view/document?docid=TXD/TD20243/NAT/ATO/00001>

**check your award or industrial instrument which may provide for a different rate

Individual Tax Rates

Fringe Benefit Gross Up rates (April 1 2024 - 31 March 2025)

Type 1 - Higher Gross up rate	2.0802
Type 2 - Lower Gross up rate	1.8868

Superannuation

Superannuation Guarantee	11.5%
Quarterly Maximum Super Contribution base	\$65,070.00

** The maximum super contribution base is used to determine the maximum limit on any individual employee's earnings base for each quarter of any financial year. Employers do not have to provide the minimum support for the part of earnings above this limit. Unless provided for otherwise in an employees contract or industrial instrument.

Payroll Tax 2024 – 2025

State	Monthly Threshold (Total Australian wages)	Yearly Threshold (Total Australian wages)	Rate
NSW	\$101,918 (31 days) \$98,630 (30 days) \$92,055 (28 days)	\$1,200,000	5.45%
VIC	\$75,000	\$900,000 <i>(deduction phasing out of 45% between \$3 - \$5 million)</i>	4.85% (1.2125% if 85% of wages paid to regional employees) + Mental Health surcharge + COVID surcharge
SA	Is advised when you log in each month.	Does not exceed \$1.5M Exceeds \$1.5M but not \$1.7M Exceeds \$1.7M	Nil Variable 0-4.95% 4.95%
QLD	\$108,333	Does not exceed \$1.3M Exceeds \$1.3M but not \$6.5M Exceeds \$6.5M	Nil 4.75% 4.95% Regional employers may be entitled to a 1% discount rate until 30 June 2030.
TAS	(I) \$106,164 / (S) \$169,863 (31 Days) (I) \$102,740 / (S) \$164,384 (30 Days) (I) \$95,890 / (S) \$153,425 (28 Days)	\$2,000,000 \$1,250,000 - \$2,000,000	6.10% 4.00%
ACT	\$166,667	\$2,000,000	6.85% <i>+ surcharge for large business</i>
NT	\$125,000	\$1,500,000	5.50%
WA	\$83,333	\$1,000,000 \$1,000,000 to \$7,500,000 – <i>diminishing threshold applies</i>	5.50%

MEMBERS WEBINAR

Our July webinar will be held on **24th July at 1pm (Sydney time)** where we will be looking at **Super Choice and Super Stapling obligations**