



MEMBERS UPDATE

MAY 2025

Welcome to the May 2025 member's update

In this month's members update we look at:

- Superannuation on Government Paid Parental Leave from 1 July 2025
- FBT rates from 1 April 2025
- Portable LSL for Hairdressing, Beauty and Hospitality in ACT from 1 July 2026
- Fair Work Gender based undervaluation award review



Superannuation on GPPL

The government will be responsible for paying superannuation on Government Paid Parental Leave (GPPL) payments for employees receiving payments on or after 1 July 2025

Key Points for Payroll

- Employers will still be responsible for paying GPPL given to them by Services Australia. This hasn't changed.
- The superannuation component **will not be handled by employers** this will be done by the government. You do not need to do anything for this change.
- The rate will be based on the Super Guarantee rate (12% from the 1 July 2025), it will be paid as a lump sum after the end of the financial year. This means the ATO will start making payments direct to the employee's fund from the 2026-27 Financial year.
- These payments will go towards an employee's concessional contribution cap
- If Parental Leave is shared with another person, then super will be paid to the other person based on the portion of GPPL paid to them.

Paid Parental Leave Superannuation Contribution | Australian Taxation Office

FBT rates from 1 April 2025

Rate for 31 March 2022 to 31 March 2026

Table 1: FBT rate for years ending 31 March 2022 to 31 March 2026

Items	FBT Rate
Ending 31 March 2022, 2023 ,2024, 2025 and 2026	47%

Table 2: FBT Type 1 gross-up rate – Use this rate if benefit being provided is entitled to a GST credit

Items	FBT Rate	Type 1 gross-up rate
Ending 31 March 2022, 2023 ,2024, 2025 and 2026	47%	2.0802

Table 3: FBT Type 2 gross-up rate - – Use this rate if benefit being provided is not entitled to claim a GST credit

Items	FBT Rate	Type 1 gross-up rate
Ending 31 March 2022, 2023 ,2024, 2025 and 2026	47%	1.8868

Table 4: Reportable fringe benefits thresholds

Threshold for reporting on income statements/ payment summaries	FBT Rate – years ending 31 March 2022, 2023, 2024, 2025 & 2026
Taxable Value	Exceeds \$2,000
Minimum grossed-up value	\$3,773

Table 5: FBT treatment for certain employers

Employer Type	FBT concessions – years ending 31 March 2022, 2023, 2024, 2025 & 2026
Public benevolent institution (other than public hospitals) and health promotion charities	FBT exemption capped at \$30,000. Salary packaged meal entertainment and entertainment facility leasing expense benefits capped at \$5,000.
Public hospitals, not-for-profit hospitals and public ambulance services	FBT exemption capped at \$17,000. Salary packaged meal entertainment and entertainment facility leasing expense benefits capped at \$5,000.
Rebatable employers – certain registered charities, non-government and not-for-profit organisations	FBT rebate of 47% capped at \$30,000. Salary packaged meal entertainment and entertainment facility leasing expense benefits capped at \$5,000.

Table 6: Record Keeping exemption threshold

FBT year ending	Threshold
31 March 2026	\$10,664

Table 7,8 & 9: Motor vehicle (other than a car) – cents per km rate, Car parking threshold & Statutory or benchmark interest rate

FBT year ending 31 March 2026	FBT Rate
Motor vehicle (other than a car) – cents per km rate	0-2500 cc - .69c Over 2500cc - .80c Motorcycles - .20c
Car parking threshold	Still to be advised
Statutory or benchmark interest rate	8.62%

Table 11: Reasonable food and drink amounts (per week) for LAFHA – Australia

For	FBT year ending 31 March 2026 (TD 2025/2)
One Adult	\$341
2 Adults	\$512
3 Adults	\$683
1 Adult & 1 child	\$427
2 Adult & 1 children	\$598
2 Adult & 2 children	\$684
2 Adult & 3 children	\$770
3 adults and one child	\$769
3 adults and 2 children	\$855
4 adults	\$854
Each additional adult	\$171
Each additional child	\$86

Table 12: Reasonable food and drink amount for employees living away from home (LAFHA) – overseas

Cost Group	Factor
1	\$173
2	\$237
3	\$319
4	\$392
5	\$528
6	\$656

Table 13: Factors to apply for family groups – overseas

Family group	Factor
2 adults	1.5
3 adults	2.0
1 Adult and 1 child	1.25
2 Adult & 1 children	1.75
2 Adult & 2 children	2.0
2 Adult & 3 children	2.25
3 adults and one child	2.25
3 adults and 2 children	2.5
4 adults	2.5
Each additional adult	50% of the relevant single adult rate in Table 12
Each additional child	25% of the relevant single adult rate in Table 12

Portable LSL for Hairdressing, Beauty and Hospitality in ACT from 1 July 2026

From 1 April 2025, the Contract Cleaning Scheme in the ACT became known as the Service Industry Scheme.

From 1 July 2026 the scheme is proposed to expand to include hairdressing and beauty services and hospitality services.

Registration is compulsory for all employers and their employees, falling under the eligibility criteria.

If you are required to enter the scheme you will need to register by 1 July 2026 as an employer and have all your relevant employees registered by 31 October 2026.

Coverage

- contract cleaning industry (From 1 April 2025)
- hairdressing and beauty services, within the meaning of the ANZSIC, Division S, Class 9511 (From 1 July 2026) e.g. hairdresser, barbers, make-up artists and beauticians
- accommodation and food services, including hospitality services, within the meaning of the ANZSIC, Division H (From 1 July 2026) e.g. housekeepers, concierge, waitstaff and chefs

Entitlement

- 6.06 weeks after 7 years of recorded service in the industry and 0.867 weeks of leave each year after that.

Levy Payments

- Currently are 1.07% of gross ordinary wages of covered employees (apprentices are excluded).

Services - ACT Leave

Fair Work Gender undervaluation award review

Back in June 2024 Fair Work identified that historically many classifications may have been undervalued because of assumptions based on gender. This started the process of the gender undervaluation award review.

They had further identified 5 priority awards for review:

- Pharmacy Industry Award
- Health Professionals and Support Services Award
- Social, Community, Home Care and Disability Services Award
- Aboriginal and Torres Strait Islander Health Workers and Practitioners and Aboriginal Community Controlled Health Services Award
- Children's Services Award.

The Fair Work Commission (Commission) has already announced increases to minimum pay rates under the Pharmacy Award.

What's changing

Minimum wages for pharmacists (including pharmacy interns) covered by the Pharmacy Award will increase by 14.1%.

The increase will be applied in 3 stages on:

- 30 June 2025
- 30 June 2026
- 30 June 2027.

The first increase will apply from the first full pay period starting on or after 30 June 2025. You can find the Fair Work determination for the Pharmacy award changes [here](#).

The other 4 awards have not as yet been finalised. We will keep our members updated as information becomes available.

Gender undervaluation - priority awards review.

Compliance

Superannuation Increase 1st July 2025

As part of the legislated changes to the Superannuation Guarantee percentage, the minimum superannuation contribution rate will increase from **11.5%** to **12%** on **1 July 2025**. This final step in the phased Superannuation Guarantee increase is a significant milestone in strengthening retirement outcomes for Australian workers.

It is critical to ensure your payroll systems, employment contracts and budgeting processes are updated in time to reflect the new Superannuation Guarantee rate. From 1 July 2025, employers must contribute 12% of an employee's **ordinary time earnings** to their nominated superannuation fund.

Payment Date matters – not the work date

Importantly, the Superannuation Guarantee rate is determined by the **date the employee is paid**, not the date the work was performed.

For example, if work is performed in June 2025 but paid on or after 1 July 2025, the 12% Superannuation Guarantee rate applies.

Steps to Remember

- Update your payroll software after the final payment made in June 2025
- If utilising a managed service arrangement – does your provider automatically update this rate?
- If any of your employees are on a salary package inclusive of superannuation, ensure base salary amounts are updated and employees are notified of the changes

The Australian Payroll Association solves payroll problems across various industries and employer sizes. We specialise in payroll compliance and related issues, ensuring your business meets legal standards and maintains payroll excellence.

If you feel that you need your superannuation calculations reviewed, please reach out to APA.

For more information about the consulting services offered by our Advisory Team please feel free to contact us at any time - [Payroll Consulting & Compliance](#) | [Australian Payroll Association](#)

FAQ

Q. How do I process a refund of salary sacrifice amounts?

The ATO set out clear guidelines on this process. How you process it will also depend on if the refund is in the current financial year or relates to a previous financial year in which the amount was sacrificed.

A refund relating to Current Financial Year - Action Steps

1. Reduce the YTD amounts reported as:
 - a. Salary Sacrifice type S reduce by the amount of the refund relating to sacrifice to super
 - b. Salary Sacrifice type O reduce by the amount of the refund relating to other benefits
2. Withhold from the salary sacrifice refund and include the additional PAYG in the STP report.
3. Check whether the super guarantee on the refunded amount has previously been paid. If not, then pay the additional super and include it in the STP reporting.
4. Check RESC and RFBA reported to ensure it is not overstated due to the refund.

A refund relating to a previous Financial Year - Action Steps

1. For the current financial year, increase the YTD amounts reported as Gross by the total amount of the refund.
2. Withhold from the refund and include the additional PAYG in the STP report for the current financial year.
3. For the previous financial year, reduce the YTD amount you have reported as:
 - Gross by the total amount of the refund
 - Salary sacrifice type S by the amount of the refund relating to sacrifice to super, and
 - Salary sacrifice type O by the amount of the refund relating to sacrifice to other benefits.
4. Check whether the super guarantee on the refunded amount has previously been paid. If not, then pay the

additional super and include it in the STP reporting for this current financial year.

5. For the previous financial year check RESC and RFBA reported to ensure it is not overstated due to the refund.

Link to ATO website: <https://www.ato.gov.au/businesses-and-organisations/hiring-and-paying-your-workers/single-touch-payroll/in-detail/single-touch-payroll-phase-2-employer-reporting-guidelines/reporting-the-amounts-you-have-paid/salary-sacrifice#ato-Refundsofsalariesacrifice>

MEMBERS AREA



Our May members webinar will be held on Wednesday 28 May at 1pm (AEST) where we will be discussing “Parental Leave – including Super on GPPL”.