

Dear Member,

AAT News

Welcome to this May 2019 edition of the AAT Australia's eNews and Views. You'll find out all about:

In this edition:

- Onboarding new employees online
- TPB advise successful collaborative compliance campaign for registered practitioners with ATO
- ATO online services is now the default service for BAS agents
- Employee versus contractor rules
- Annual increase to minimum wage, are you paying employees correctly?

Onboarding new employees online

The ATO has released some online forms required when a new employee commences work with an employer. The online forms included are:

- Tax File Number Declaration
- Superannuation Standard Choice
- Withholding Declaration
- Medicare Levy Variation Declaration

There are two options for the employee to access these online forms:

- Employee to access the forms via their own myGov Account and the connected ATO online services
- Employer's software connecting directly with myGov – this is now open to software companies to develop the solutions.

Employees can log into their myGov account and select the ATO Online service to complete the forms:



The employee can select new employment and input the required information about the employment relationship including:

- Employers ABN
- Employment type, e.g. full time, part time or casual
- Employers default superannuation fund details including the name, USI and ABN

AAT Australia has developed a one-pager information sheet for members to provide their clients with to help guide a new employee navigate the new onboarding process in the online environment. You can access this resource [here](#).

Superannuation company mergers impacting contributions

The Royal Commission into Misconduct in Banking, Superannuation and Financial Services has seen a change in regulation around the Superannuation funds in an effort to better preserve and grow the retirement savings of Australians. As a result of the review and proposed changes to superannuation, there has been much speculation about fund mergers to assist in navigating these regulatory changes. VicSuper and First State Super have entered consolidation discussions along with Sunsuper and AustSafe Super have completed a consolidation earlier this year. More mergers are expected to occur.

As a result of these mergers, fund, USI, ABN and payment details may need to be updated by an employee to avoid the superannuation payments being rejected by the funds. Some superannuation funds are advising of the rejected payment and others are not providing any notification. To be sure, you should be checking the clearing house that there have been no issue with superannuation reporting and payment.

TPB advise successful collaborative compliance campaign for registered practitioners with ATO

The Tax Practitioners Board (TPB) Chair, Mr Ian Klug has advised that their collaborative efforts with the ATO to chase up registered tax professionals who had outstanding lodgements or payments has been successful.

'I'm pleased to see that many practitioners have responded, paying over \$40 million in

outstanding tax bills, and taking action with more than 6,000 late lodgements,' Mr Klug said.

'Australians expect people like tax practitioners, who operate in positions of trust, to do the right thing.'

Mr Klug said the TPB has commenced 35 investigations into higher risk breaches, with a view to imposing sanctions, including termination of registration.

'The message to tax practitioners is clear – you need to act now to ensure your personal tax obligations are up to date.'

SOURCE: Media release from the TPB

ATO Online Services is now default lodgement service for BAS Agents

As of the 28th May 2019, the new ATO Online Services became the default lodgement service for BAS agents. Tax agents remain in the beta version of online services.

From 29 May, you can access Online services for agents or the BAS Agent Portal using any existing portal login, or log in as a BAS agent on ato.gov.au. You will be redirected to a new login screen.

We encourage you to continue to provide feedback about the new service by clicking the 'Give us Feedback' button at the bottom of every screen

Employee versus Contractor

Whether the nature of a working relationship is employee or contractor is not based on any single one factor, but rather a set of circumstances about the relationship needs to be considered. However, there are a set of common factors that contribute to whether a worker is an employee or a contractor:

Test	Employee	Contractor
Level of control over the work performed and hours of work	Performs the work as directed by their employer and has very limited control over how and when tasks are undertaken	Exercises a large amount of control about how they go about completing tasks and when they are undertaken
Expectation for ongoing work	Has arrangements with the employer about ongoing regular work	Usually engaged for a specific job that is not necessarily ongoing or is intermittent in nature
Superannuation	Entitled to superannuation contributions from employer under the Superannuation Guarantee Act	Mostly pays own superannuation unless engages wholly or principally for labour the superannuation contributions should be made to the contractors' superannuation fund

Tools and Equipment	Required tools and equipment provided by employer or an allowance is paid	Uses their own tools and equipment as well as the maintenance of these
PAYGW	PAYGW is withheld from payments in accordance with tax rates and paid to the ATO	PAYGW can be a voluntary arrangement or the contractor pays their own tax and GST to the ATO
Payments	Salary and wages are paid on a regular basis as set out in the award	Contractor invoices the business, providing their ABN and is paid at the end of the project or as agreed in any contracts
Leave Entitlements	Employees are paid for personal and annual leave as well as long service leave as set out in the applicable award or agreement	There is no entitlement to paid leave

The ATO has an employee/contractor [decision tool](#) to assist in determining how an individual should be treated and paid.

AAT recommends that when you are providing payroll related services to your clients you consider engaging HR experts to provide guidance, such as the [AAT HR Advice powered by AB Phillips](#) service.

Annual increases to wages, are you paying employees correctly?

The Fair Work Commission has recently announced its decision on the annual wage review for Australian workers covered by the Fair Work system. From the first full pay period commencing on or after 1 July 2019:

- All Modern Award rates will increase by three per cent (with weekly wages rounded to the nearest \$0.10)
- The National Minimum Wage will increase by three per cent to \$19.49 per hour (and an extra \$21.60 per week for a full-time employee), an increase of \$0.56 per hour for the hourly rate, and \$740.80 per week.

The Commission's decision only confirms the basic increase in minimum rates while confirmation of the specific rates (including new allowance rates) for each individual Award will be released before 1 July 2019.

Minimum rates of pay are highly regulated in Australia. The Modern Awards and the Fair Work Commission set minimum rates of pay that are to be paid to employees. Minimum rates of pay may also be set by an enterprise agreement.

Now is an ideal time to prepare for an increase in costs as a result of the annual wage review. In addition, it is a perfect opportunity to ensure your business is meeting its legal obligation to **correctly pay employees** the applicable remuneration, including, where relevant, penalties and loadings, overtime and allowances following the increase.

In this newsletter we highlight the importance of ensuring you are paying your employees correctly and additionally provide information on finding and using the

correct rates of pay.

What should I do to ensure my employees are properly paid?

There are several key actions a business can take including:

- Becoming familiar with the National Employment Standards (the NES). Here is a link to the NES details on the Fair Work Ombudsman [website](#).
- Finding out the relevant modern award that applies to the industry and / or the roles that your employees perform and becoming familiar with the terms in the award.
- Determining the correct classification of work under the modern award and the rates of pay that apply to the various roles within your workplace.
- If an enterprise agreement applies, becoming familiar with the terms and the rates of pay that apply.
- Being aware of the administrative obligations related to record keeping and the preparation and issuing of pay slips.

Most information is available on the Fair Work Ombudsman's [website](#).

Where can I find the correct rates of pay?

Minimum Wage	You can refer to the Fair Work Ombudsman pay guides by clicking here .
Agreements	If your employees are covered by a registered agreement, check the agreement for rates. The agreement must be available within the workplace for all employees to refer to.
Awards	You can refer to the Fair Work Ombudsman pay guides by clicking here . The relevant award(s) must be available within the workplace for all employees to refer to.
Salary Payments	An annual salary is an agreement about the amount of pay for work over a 12-month period. They are often included in employment contracts. For more information, click here .
Fair Work Ombudsman's 'Pay and Conditions Tool' (the Fair Work Ombudsman's website refers to it as 'The P.A.C.T' and it includes calculators for various leave types)	'Pay and Conditions Tool' is a wage calculator that can be used to calculate an employee's: <ul style="list-style-type: none">• minimum wages• penalty rates and• allowances The calculator can be used as if you are an employee or an employer to determine rates of pay.

	To access the tool, click here .
--	--

Fair Work Ombudsman – focus on compliance

The Fair Work Ombudsman places a significant focus on working with employers to ensure they understand their obligations in relation to paying employees correctly. The Fair Work Ombudsman runs targeted campaigns across various industries and / or regions in Australia which has included initiatives such as information sessions through to targeted Audits related to pay and conditions. Additionally, the Fair Work Ombudsman also acts on behalf of employees who have formally raised complaints / concerns relating to their conditions.

In recent months, the Fair Work Ombudsman has supported employees in a number of businesses secure back payments, including from some high-profile business owners who are well known from their television appearances. Recently, the Fair Work Ombudsman has also successfully prosecuted a business owner in northern Queensland and that business owner has now commenced a period of imprisonment owing to underpayment of employees' pay and other terms and conditions.

Summary

Understanding and applying correct rates of pay and conditions is critical to ensuring your business is legally compliant. Employers must make serious efforts in ensuring the employees of their business are correctly paid and have their entitlements managed.

Needing advice and help?

If you would like assistance with understanding the application of correct rates of pay, modern award terms or you would like your rates of pay reviewed and checked and any information about leave entitlements, the team of advisors at AB Phillips can assist you with practical advice and support.

For support and assistance, please contact our team of advisors at AB Phillips, Monday to Friday between 9:00 am and 5:00 pm AEST by phone on 1300 208 828 or email advice@abphillips.com.au.

This newsletter refers to employees engaged in the national Fair Work system. If you are not sure if your employees are in the national Fair Work system, [click here](#) or contact us at AB Phillips for assistance.

The national Fair Work system applies to employees of incorporated companies and all employees engaged in the State of Victoria, the ACT and the Northern Territory and to employees of incorporated companies in other states.

Please note that the above information is provided as comment and should not be relied on as a substitute for detailed professional advice from AB Phillips or professional legal and/or financial advice on any particular matter. Where you would like additional information and support about the content in this document please contact AB Phillips.

MYOB Partner Connect is back and bigger than ever!

Held at Melbourne Convention and Exhibition Centre, MYOB Partner Connect will bring together the best of the MYOB community from Australia and New Zealand for 2 days of inspirational and educational content from the greatest minds in our industry.

Your two-day pass gives you access to:

- Inspirational content from World-Class speakers
- MYOB product announcements/updates/demos
- Business and personal development opportunities
- Networking opportunities with the leaders in our industry – the Australian and New Zealand MYOB community
- High value training and workshop sessions
- Access to leading MYOB ecosystem partners showcasing their solutions
- CPD hours across both days

Transform your business with the latest technology, new efficiencies and more streamlined ways of working...at MYOB Partner Connect, 21 & 22 August 2019 – Melbourne Convention and Exhibition Centre.

[Claim your early bird tickets now.](#)

Join our Facebook Discussion Group

Feedback from members indicates that community is very important to accounting technicians. In response, the AAT Team has established a Facebook group especially for AAT members to join in an online community and discuss your successes and your not-so-successes, ask questions, give support to your colleagues and enjoy networking with your peers. We will be posting articles, information pieces, event details plus more. Click through here to join in today:

[AAT Facebook Group](#)

Continuing Professional Development

- [Berwick - Narre Warren Discussion Group Meeting](#)
- [AAT June Tech Talk - Questos](#)

Feedback

AAT welcomes your feedback. Please share your thoughts and ideas, let us know what your concerns are as well as the support and CPD that you need, so that we can deliver the best possible outcome for all of our AAT community. [Contact us](#)



[Our Website](#) | [Login](#) | [Contact Us](#) | [Manage Details](#) | [Privacy Policy](#)

The AAT has your email address on record as supplied by you via your membership application.

Having trouble viewing this email? [View Online](#)

This email was sent by AAT Australia, Level 6, Lonsdale Street, Melbourne, VIC 3000 to vincent.tu@publicaccountants.org.au