



## EMPLOYER NEWSLETTER – JUNE 2018

This newsletter has been provided to touch on new legislation and thresholds for various levies and payroll related taxes.

Please contact us if you require more detailed information, have queries regarding anything payroll related, including payroll software, or if you are about to employ staff for the first time.

### PROPOSED TAX RATES FROM 1 JULY 2018

The Federal Budget outlined a change in personal tax rates. The higher threshold for the 32.5% personal income tax bracket will increase from \$87,000 to \$90,000 under the proposed measures from 1 July 2018.

Rate	2018	Proposed 2019
0%	\$0 - \$18,200	\$0 - \$18,200
19%	\$18,201 - \$37,000	\$18,201 - \$37,000
32.5%	\$37,001 - \$87,000	\$37,001 - <b>\$90,000</b>
37%	\$87,001 - \$180,000	<b>\$90,001</b> - \$180,000
45%	\$180,001 +	\$180,001 +

This measure will need to pass into law before any changes will occur to the amounts you withhold from employee wages.

If you wish to check amounts of tax to withhold, the ATO tax tables can be found at;  
<https://www.ato.gov.au/Rates/Tax-tables/>

Clients with software on a subscription service will be advised of any software updates by their provider should the tax tables change.

### SINGLE TOUCH PAYROLL

Employers with more than 20 employees at 1 April 2018 will be required to report wages via single touch payroll reporting from 1 July 2018. Wages, PAYG Withholding and Superannuation will need to be reported to the ATO when you pay your employees. The reporting will be managed via your accounting software so it will be necessary to ensure that your preferred program is capable of single touch reporting at 1 July.

The intention is that Single Touch payroll will be required of all employers from 1 July 2019.

However, legislation for this step is still being passed in parliament.

### HELP REPAYMENT RATES

From 1 July 2018 the minimum HELP repayment threshold will decrease to \$45,000 from \$55,874 with a 1% repayment rate on repayment income for the first income tier. From 1 July 2019 HELP repayment thresholds will be indexed at the CPI instead of Average Weekly Earnings.

Repayment Rate (%)	2018/19 Income Threshold	Repayment Rate (%)	2018/19 Income Threshold
1.0	\$45,000	6.0	\$82,812
2.0	\$51,957	6.5	\$87,780
2.5	\$55,074	7.0	\$93,047
3.0	\$58,379	7.5	\$98,630
3.5	\$61,882	8.0	\$104,548
4.0	\$65,595	8.5	\$110,821
4.5	\$69,530	9.0	\$117,470
5.0	\$73,702	9.5	\$124,518
5.5	\$78,124	10.0	\$131,989

### SMALL BUSINESS SUPERANNUATION CLEARING HOUSE

The SBSCH has transitioned to the ATO. Logging in to the SBSCH is now via the ATO business portal with an Auskey or, for sole traders, access is linked to their myGov account.

If any employers require assistance with access to the SBSCH or lodging super contributions for their employees, please contact us as we have access to the SBSCH via the tax agent portal.

Further information regarding the SBSCH can be found at;

<https://www.ato.gov.au/business/super-for-employers/paying-super-contributions/small-business-superannuation-clearing-house/>

### SUPERANNUATION GUARANTEE CONTRIBUTIONS

The Superannuation Guarantee Contribution rate remains at 9.5% of ordinary earnings for the 2018-19 financial year.

The website below outlines wage amounts that the SGC is to be calculated and in what circumstances you need to pay Super.

<https://www.ato.gov.au/business/super-for-employers/>

Please remember that these contributions need to be lodged and paid within 28 days after the end of the quarter.

### SUPERANNUATION GUARANTEE – SALARY SACRIFICE INTEGRITY

Legislation to prevent employers from using employee salary sacrificed amounts to reduce their minimum super guarantee is currently before

parliament. This legislation amends the Superannuation Guarantee (Administration) Act of 1992 to provide that amounts salary sacrificed by an employee can not be counted towards an employer's SGC obligation, nor can it reduce the amount of ordinary earnings on which SGC is calculated.

### **WORKING HOLIDAY MAKERS**

Any business employing working holiday makers should contact us to ensure that they are registered with the ATO. A working holiday maker will hold a 417 or 462 subclass VISA.

Tax is required to be withheld at 15% for a working holiday maker up to \$37,000, irrespective of residency status. The tax rates change for any amounts above \$37,000.

Working holiday makers are entitled to Superannuation under the same rules as Australian residents.

### **PAYROLL TAX**

Payroll tax is a general purpose state based tax assessed on wages paid to employees when the total wage bill of an employer exceeds a threshold amount.

A liability for South Australian payroll tax will occur for any business (or Business Group) which has employee remuneration (Gross Wages, Superannuation, FBT) in excess of \$600,000 by employees anywhere in Australia if any of those services are rendered or performed in South Australia. An employer is required to register for Payroll Tax in South Australia when the above conditions are met and monthly employee remuneration exceeds \$50,000 in any month.

Payroll Tax starts at 2.5% of employee remuneration between \$600,000 and \$1M, the highest rate is 4.95% for remuneration above \$1.5M. Information regarding payroll tax can be found on the RevenueSA website.

The newly elected Liberal government in South Australia has indicated an intention to raise the payroll tax threshold from \$600,000 to \$1.5M.

Payroll tax thresholds and rates differ between states and territories. Currently Victoria has an annual threshold of \$625,000 and a rate of either 4.85% or 3.65% for regional employers.

### **WORKCOVER**

Workcover is also a state based scheme. In South Australia it is now known as Return to Work SA. If you employ staff who usually work in, or are based in South Australia and total employee

remuneration exceeds \$12,577 you are required to register and pay RTWSA premiums.

If your remuneration is below \$12,577 but you have an employee injured on the job, you will be required to pay the minimum premium. Premiums are calculated based on the work undertaken by your employees and total employee remuneration.

Victoria's employee compensation scheme is known as Worksafe Victoria. Employers with employee remuneration above \$7500 are required to pay at least the minimum premium.

### **CONTRACTORS, SGC, PAYROLL TAX AND WORKCOVER**

People that contract to your business may still be eligible for SGC and be covered under your Workcover policy. In addition, the amounts you pay contractors may be included in remuneration for Payroll Tax and Workcover calculations.

This will generally occur when a contractor is engaged to provide only their labour. The requirements for inclusion for Payroll Tax and Workcover vary on a state by state basis.

A contractor's eligibility for SGC is determined at a federal level. More information, including a decision tool, can be found at;

<https://www.ato.gov.au/business/super-for-employers/working-out-if-you-have-to-pay-super/contractors/>

### **JOB ACCELERATOR GRANT SCHEME**

South Australian employers should remember to register new employees with this scheme. The JAG will expire on 30 June 2018 but you can register an employee within 90 days of commencement.

A grant will only be paid if your business is found to have created a new full time equivalent position and maintained this position for 12 months. Grant payments are paid on the first and second anniversary of the employee's registration for JAG. The grant is \$2000 per year for business not required to pay Payroll Tax and \$5000 per year for business that are liable. Employers of Apprentices and trainees may be eligible for additional amounts.

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