

Employment Law Changes for the New Financial Year

We're in a new financial year, which means that because of annual indexation and changes to the law many reference points relevant to employment law change.

Here are some of the most important changes applying from 1 July 2015:

Salary cap for unfair dismissal	\$136,700 (up from \$133,000: employees paid more than \$136,700 base salary per annum, and not covered by an award, cannot claim unfair dismissal)
National Minimum Wage	\$656.90 per week (up from \$640.90 per week) or \$17.29 per hour
Award minimum wages	All award pay rates increased by 2.5% effective 1 July
Superannuation Guarantee Percentage	9.5% (foreshadowed to remain at this rate until 30 June 2021)
Superannuation Guarantee cap	\$50,810 per quarter - \$203,240 per annum (earnings above which are not subject to compulsory contributions)
Redundancy tax concessions	In a bona fide redundancy payment, \$9,780, plus \$4,891 per completed year of service, is tax free
Eligible Termination Payment cap	\$195,000 (concessional tax treatment below this amount, highest marginal tax rate above)
Fair Work Information Statement	This must be given to all employees on commencement of employment. For the updated version for 2015-16 click here .

Points for attention:

1. Beware of paying less than the National Minimum Wage to any employee not covered by any age or disability-related percentage rate
2. For employers with 19 or fewer employees, the SuperStream system (simplified electronic superannuation compliance) applies from 1 July, with compliance required by 30 June 2016 (employers of 20 or more should already be complying).

Corporate Credit Card – Use with caution!

If you distribute corporate cards to employees, it's vital that you have a policy in place that clearly sets out the rules on its appropriate use.

The Fair Work Commission recently upheld the termination of a Manager who hid his unauthorised use of the company credit card to purchase two cases of beer.

When the Manager started with the company, he was advised to make himself familiar with all of their policies, including the Corporate Credit Card policy.

Later that year, the Manager requested approval to fund a department Christmas party. The request was declined and he was advised that a company-wide celebration would take place instead.

Corporate Credit Card – Use with caution! cont.

Subsequently, an unofficial Christmas gathering was organised for the Manager's team - the Manager contributed two cases of beer totalling \$114.98 using his corporate credit card, recording the purchase as a 'supplier gift.'

The Manager was questioned about the purchase and despite offering to repay the amount, he was stood down and subsequently dismissed, receiving one week pay in lieu of notice.

For more information see *Farrelly v Seasonair Pty Ltd* [2015] FWC 2334 (8 April 2015).

In the case above, having a credit card policy in place was a significant factor in the Fair Work Commission reaching its decision that the termination was not unfair.

Cheat Sheet: The 2015 Federal Budget – what HR Managers need to be on top of!

Parental Leave Pay (PLP)

Currently, employees are able to access government funded PLP in addition to any employer provided parental leave payments however, as at 1 July 2016 this will be regarded as "double dipping" – and the ability of employees to access government funded PLP in addition to employer provided paid parental leave will be removed.

Work-related car expenses

The methods of calculating work-related car expense deductions will be changed from the 2015/16 income year as follows:

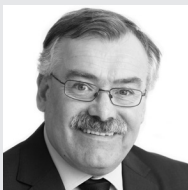
- The "12% or original value method" and the "1/3 of actual expenses method" will be removed
- The "cents per kilometre method" will be modernised by replacing the 3 current rates based on engine size with one rate of 66 cents per kilometre to apply to all motor vehicles, with the Commissioner responsible for updating the rate the following years
- The "logbook method" of calculating expenses will be retained.

Note: These changes will not affect leasing or salary sacrifice arrangements.

Superannuation

Currently, a person must have two medical practitioners (including a specialist) certify that he / she is likely to die within one year in order to gain unrestricted tax-free access to his / her superannuation balance. From 1 July 2015, the government will change the period to two years, therefore giving terminally ill persons earlier access to their superannuation.

If you need assistance on any of the above, please contact:



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