



PAY RATES AND PAYROLL CHANGES FROM 1 JULY 2019!

1 July is an important date for any business that employs staff as there are two key changes afoot.

The first is an increase to the minimum wage. The second is a change to payroll. We briefly explore each in turn, below.

PAY RATES

The Fair Work Commission has announced a 3.0% increase to minimum wages, which will take effect from the first full pay period on or after 1 July 2019.

Employers in the Federal system should be aware that the new national minimum wage will be \$740.80 per week or \$19.49 per hour.

The 3% increase applies to any employee who derives their rate of pay from the national minimum wage or a modern award. This means all award rates will increase by 3% too.

Employers who pay their employees at least 3% (or more) above the statutory minimum may not need to pay their employees more assuming the employment contract makes this clear.

PAYROLL

Also impacting on employers is Single Touch Payroll (STP).

STP is a new way of reporting tax and superannuation information to the Australian Taxation Office (ATO).

Whilst most large employers are already using software that enables STP, many small employers do not.



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From 1 July 2019 small employers with 19 or less employees will need to start reporting through STP. The ATO has no-cost and low-cost STP solutions for smaller employers, particularly those with four or less employees.

For further information or assistance contact Murfett Legal on +61 8 9388 3100.

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