

# EOFY - IR Health Check

With the start of the new financial year, there are a number of employment law related issues to bear in mind, and get in order if need be, to be well and truly prepared for 2012-13

## Pay rates

All award rates increased 2.9% as of 1 July. So if you pay at or close to award rates, or pay at an annual rate which is not far above award rates but which is intended to include all obligations, then it is a good idea to check the rates you pay against the revised pay rates in the award to make sure you comply, both with base rate and with the total due including overtime etc.

If you need assistance doing this "IR health check", please give us a call.

## Unfair dismissal threshold

Indexation increases the salary cap for making an unfair dismissal claim to \$123,300. This is, essentially, base salary excluding super.

Contact us if you have any queries about how this applies on your salary structure.

## Fair Work Information Statement

Not much new here, but the change in the high income threshold (also \$123,300) means that the number changes in the FWIS, and you should use the current version – this should be updated at <http://www.fairwork.gov.au/employment/fair-work-information-statement/pages/default.aspx> soon.

Remember, you must give a FWIS to every new employee. We have had our first example of a breach of this rule being added to an adverse action claim as a non-compliance which could give rise to a penalty up to \$33,000. Of course, such a penalty is pretty unlikely for a small regulatory breach - but best not give anyone the chance to have a go at you about it.

## Contractors in Construction

Under new rules applying from 1 July, businesses in the building and construction industry who engage contractors have to report to the ATO on all payments made to contractors (engaged for work, not just supplying goods, for example) during the year. The first compliance date will be after 1 July 2013, but best be making sure you can easily extract those records to meet the ATO's requirements. The required information is the contractor's name, address and ABN, the total amount paid to the contractor over the income year, GST has been charged; and any other information the ATO may require.

If you need to know the parameters of this obligation, give us a call.

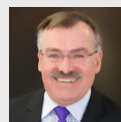
## LAFHA

If you use living-away-from-home allowances as part of salary packaging, you need to understand the substantial changes to the rules, announced in the Budget and coming into effect on 1 July as a result. The tax treatment has changed and eligibility conditions have been restricted.

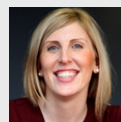
Contact us if you need more information about any of these requirements.

A happy and prosperous New Financial Year to all our clients!

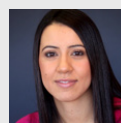
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