



Superannuation and Wage Changes

Superannuation Changes

From 1 July 2022, employees can be eligible for super guarantee (SG), regardless of how much they earn. This is because the \$450 per month eligibility threshold for when SG is paid is being removed. You only need to pay super for workers under 18 when they work more than 30 hours in a week.

Further, as a minimum, from 1 July 2022 employers' minimum **superannuation** contributions will be increased to **10.5%** which must be paid into the employees' complying funds, calculated against Ordinary Time Earnings, to avoid liability to pay the Superannuation Guarantee Charge. You will need to use the new rate to calculate super on payments you make to employees on or after 1 July, even if some or all of the pay period is for work done before 1 July. The SG rate is legislated to increase to 12% by 2025.

Minimum Wage Increase

The new National Minimum Wage has just been announced resulting from the Fair Work Commission's decision to lift the minimum wage, however, this increase must now be implemented into each Award so it will take some time to implement and distribute that information. Another announcement will be sent out when the date for each Award's wages to increase has been announced, for now it is useful to know how much the increase is and to start planning for this change.

The increase has been reported as:

- the National Minimum Wage will increase by 5.2%, which amounts to \$40 a week
- Award minimum wages will increase by 4.6%, which is subject to a minimum increase for award classifications of \$40 per week and based on a 38-hour week for a full-time employee.

Most awards will increase from the first full pay period on or after 1 July 2022.

For **some awards** in the aviation, hospitality and tourism industries, **the increase will happen from 1 October 2022.** The affected awards are:

Aviation

Aircraft Cabin Crew Award

Air Pilots Award

Airservices Australia Enterprise Award 2016

Airline Operations – Ground Staff Award

Airport Employees Award

Hospitality

Hospitality Industry (General) Award

Restaurant Industry Award

Registered and Licensed Clubs Award

Tourism

Marine Tourism and Charter Vessels Award

Alpine Resorts Award

What do you need to do?

Check your contracts and industrial agreements.

Update your finance systems to reflect this change – amend budgets and payroll systems (if you outsource payroll, double check that their system has been updated) so that you continue to pay the correct amount of superannuation.

Communicate with your team so that they understand how this change affects them.

If you have any questions regarding your minimum pay obligations, minimum superannuation contributions or penalty rates, do not hesitate to contact Solutions to Spec.

Other Employment News.....

Changes to the Social Community Home Care and Disability Services Award

1 July 2022 also marks the introduction of a number of changes to the SCHCDS Award, these are significant changes that could impact your organisation's bottom line, so you need to be planning now for the changes. The changes relate to:

- minimum hours per shift for casual and part-time employees
- broken shifts and broken shift allowances
- client cancellation
- travelling between clients
- shift locations.

For our clients who work under this Award, we will be sharing more news in the very near future, but as always, please don't hesitate to ask if you have questions.



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