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Capital3 Accounting

Success with Numbers

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Reportable Employer

Superannuation Contributions

2009/2010 marked the first year that employers were required to report Reportable Employer Superannuation Contributions (RESC) on the payment summaries of employees. Feedback from the Tax Office indicates that many employers made mistakes in undertaking this task for the first time. RESC are contributions an employer makes for an employee where all of the following apply:

- The employee influenced the rate amount of superannuation that the employer contributed for them;
- The contributions are additional to the compulsory contributions an employer is required to make under any of the following:
 - ◆ Superannuation Guarantee (SG) law (the compulsory 9% you contribute as employer);
 - ◆ An industrial agreement (including an award);
 - ◆ The trust deed or governing rules of a superannuation fund; or
 - ◆ A Federal, State or Territory law.

For employers, incorrect reporting of these amounts can result in you being liable for Tax Office penalties. The following table provides a guide on which amounts are RESC and therefore should be included on the payment summary.

Type of Superannuation Contribution	RESC on Payment Summaries?	
	YES	NO
9 % SG		N
Salary Sacrifice	Y	
Industrial Agreement		N
Required by law		N
Extra Amounts Freely Agreed Between both Parties	Y	

These amounts are included on a separate, new level in the payment summary. Even where you have not paid an employee salary and wages, you must provide them with a Payment Summary if you have paid them RESC. Where the payment of RESC was made by an associated entity, they must issue your employee with a Payment Summary.

Extension of probationary clause in employment agreements – Is this possible?

This is possible, but you need to be very careful.

The Fair Work Act specifies that an employee must have completed the minimum period of employment before an unfair dismissal claim can be made. The minimum period of employment operates as a probation or qualifying period fixed by statute. For most employees the minimum period is six months.

If the employer has less than 15 employees and is a “small business employer”, the minimum period is 12 months.

So, even though a contract may state that the probation period is three months, the employee would be excluded from making a claim of unfair dismissal until they had completed six months of service (but this is assuming you have more than 15 employees).

It’s okay to extend a probation period within these limitations. If you intend to terminate the employment at the end of an extended period of probation, make sure you have calculated the time period correctly, as being over the statutory minimum period will enable the employee to make a claim.

If the employee has commenced as a

casual employee, their service may count as part of the minimum period.

The above is general information only, so you should seek advice if these situations apply.

Congratulations

Well done to John Muir who has recently been awarded the Australian Export Heroes Award, from the Australian Institute of Export. This is a great achievement to be one of only 6 people in Australia to have been honoured with such an award this year.

Staff Profile — Linda Mitchell



Linda has been Michael’s Personal Assistant for over 12 years and said she is still yet to receive her medal. 😊

Before starting work with Michael in 1998, Linda worked at a Trustee Company as a Secretary and then Trust Officer for over 9 years, which was great experience before moving to an accounting firm. Linda enjoys working with the friendly clients and team at Capital 3. During her spare time she enjoys playing netball, walking her dogs, renovating and travelling.



Check us out on Facebook



Michael Denehey



Linda Mitchell



Renai Schofield



Louise Kruijver



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