





Monthly Information Newsletter – Tax & Super

July 2023

Fair Work changes

Although not related to tax, there are a number of changes on the Fair Work front that employers should be aware of:

Minimum wage increase

The National Minimum Wage applies to employees who aren't covered by an award or registered agreement.

From 1 July 2023, the new National Minimum Wage will be \$882.80 per week or \$23.23 per hour.

The new National Minimum Wage will apply from the first full pay period starting on or after 1 July 2023. This means if your weekly pay period starts on Monday, the new rates will apply from Monday, 3 July 2023.

Note that if a worker is covered by a registered agreement, the minimum wage increase may apply to them. This is because the base pay rate in a registered agreement can't be less than the base pay rate in the relevant award. Check your agreement by searching for it on the Commission's website: <u>Find an agreement</u>

Award minimum wage increase

The Fair Work Commission has also announced that minimum award wages will increase by 5.75%.

Most employees are covered by an award. Awards are legal documents that outline minimum pay rates and conditions of employment in your industry or occupation. If you're not sure which award applies to a worker, use Find my award.

This increase will apply from the first full pay period starting on or after 1 July 2023. This means if your weekly pay period starts on Monday, the new rates will apply from Monday, 3 July 2023.

Secure Jobs, Better Pay: 6 June changes to workplace laws

From 6 June 2023, changes also came on stream related to:

- requesting flexible working arrangements
- extending unpaid parental leave
- agreement-making
- bargaining.

For more information, visit, Secure Jobs, Better Pay: Changes to Australian workplace laws.

Aged care sector

Direct care and some senior food services employees in the aged care sector will receive a 15% wage increase from 1 July 2023.

For more information, visit 15% wage increase for aged care sector.

Paid parental leave scheme

From 1 July 2023, the Paid Parental Leave scheme is changing.

From this date the current entitlement to 18 weeks' paid parental leave pay will be combined with the current Dad and Partner Pay entitlement to two weeks' pay. This means partnered couples will be able to claim up to 20 weeks' paid parental leave between them. Parents who are single at the time of their claim can access the full 20 weeks.

These changes affect employees whose baby is born or placed in their care on or after 1 July 2023.

Other changes include:

- allowing partnered employees to claim a maximum of 20 weeks' pay between them, with each partner taking at least two weeks (except in some circumstances)
- introducing a \$350,000 family income limit (indexed annually from 1 July 2024) for claiming paid parental leave pay
- expanding the eligibility rules for fathers or partners to claim paid parental leave pay
- making the whole payment flexible so that eligible employees can claim it in multiple blocks until the child turns two
- removing the requirement to return to work to be eligible for the entitlement.

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