



e-News

Monday, 20th January 2025

Newsletter No 161

New Criminal Underpayment Laws Have Started



New Criminal Underpayment Laws began on **1 January 2025**. It is now an offence to underpay your staff. If found guilty, you may face hefty fines or jail time, or both. Read on to find out what these laws mean and how you can avoid a conviction going forward.

What are these laws?

Employers found to be intentionally underpaying staff by Fair Work, will be investigated. If a case can be raised, it will be referred for criminal prosecution. If an employer is convicted, he/she may face prison time and/or fines (see below).

Employers who have made an honest mistake and did not intend to underpay staff, will not be prosecuted.

How to protect yourself

Fair Work has created the [Voluntary Small Business Wage Compliance Code](#). This Code can be used to check if you are paying your staff correctly. Employers who have complied with the Code in relation to an underpayment, cannot be referred for possible criminal prosecution by Fair Work. Therefore, if you suspect that you may have underpaid staff, it is in your best interests to review the above Code ASAP!

Another way to protect yourself is to write an [Cooperation Agreement](#). This is an agreement between Fair Work and an employer that outlines a possible underpayment event. While the agreement is in force, Fair Work cannot refer the matter for possible criminal prosecution, however, civil enforcement may apply regardless.

Which fines and prison time can apply?

For a company

If the court can determine the amount of the employer's underpayment, the maximum fine will be the higher of:

- 3 times the amount of the underpayment
- \$8.25 million.

If the court can't determine the amount of the underpayment, the maximum fine is \$8.25 million.

For an individual

The court can impose a maximum of 10 years in prison or a fine, or both.

If the court can determine the amount of the employer's underpayment, the maximum fine will be the higher of:

- 3 times the amount of the underpayment
- \$1.65 million.

If the court can't determine the underpayment, the maximum fine is \$1.65 million.

How to avoid all of the above

Simple really! Good employers do two things:

1. Stay up to date with payroll obligations including changes to awards, legislation and employees' circumstances such as their roles, duties, classifications, relevant qualifications, age, hours of work or location of work.
2. Reach out to reliable sources for help when difficult payroll situations arise. These may include bookkeepers, tax agents, payroll HR associations, payroll processing services, industrial associations and Fair Work.

If you are reading this and are concerned about your situation, now might be the time to reach out to your tax professional and ask for assistance. Fair Work mean business!!

In Other Bookkeeping_BAS News...

[Can I Claim the GST on That](#) page updated: Some new items have been updated in relation to food, beverage and health products. A new checklist to help calculate food-related GST has also been added.

MyGovID changing to MyID: [myGovID will be changing to myID](#). The app will have a new name and new look, but you'll continue to use it in the same way.

ATO - no more card payment fees: From 1 January 2025, no card payment fees will apply if you pay the ATO using a **debit card**. All other payments will continue to incur a fee.

Remission of ATO Interest Charges: The ATO has listened to your feedback on the GIC remission application form and made some changes to improve its functionality. [Download the new version of the form](#) and delete any previous copies you've saved. [See more details here](#).

Updated Fair Work Information Statements: The Fair Work Information Statements have been updated recently. Download your copies [here](#).

Next BAS due date: The next quarterly BAS for **Oct to Dec 2024**, is due by **28th February 2024**. This date applies to all tax payers.

Next IAS due date: The December 2024 Business Activity Statement is due by **21st January 2025**.

Next Super due date: The Q2 2024-25 SG is due **by 28th January 2025**.

Xero Classic Invoicing Retirement: Xero will [retire classic invoicing](#) by **27th February 2025**.

Engaging a New Registered Agent: [Learn what to do to be well prepared before engaging a new registered agent](#).

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Wage Theft Legislation Is Coming! Review Your Payroll Now!

Wage Theft Legislation will make it a criminal offence to underpay wages deliberately. Review your payroll setup now to ensure it is compliant.



New from Xero: reprocess failed or returned auto super payments

Xero users who use the payroll function will be pleased to hear that an update has been released whereby [failed or returned super payments can now be reprocessed.](#)



Client Agent Linking Not Working For You? Check Your ABN Details On The ABR Now!

Having trouble linking to a new agent? The problem may be outdated ABN details. Find out how to check if your details need updating in this blog.



Free Courses For Small Business From The ATO

The ATO has set up a website to help small business owners learn about running their businesses. It's called [Essentials to Strengthen your Small Business.](#)

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