

# GIO WORKERS COMPENSATION

## Definition of Wages Summary

This summary has been compiled by GIO to provide an easy reference for employers. Please note it is intended as a guide only.

### Workers compensation definition of wages summary

Description	WA	ACT	TAS	VIC	NSW	NT	QLD	SA
Annual leave (including loadings) and public holidays	Y	Y	Y	Y	Y	Y	Y	Y
Accommodation allowance (Award allowances)	Y	Y	Y	Y <sup>1</sup>	Y	Y	Y	Y <sup>1</sup>
Board and lodging (where subject to FBT)	Y	Y	Y	Y	Y	Y	Y	Y
Bonuses	Y	Y	Y	Y	Y	Y	Y	Y
Car allowances and/or expenses (pre-tax benefit only)	Y	Y	N	Y <sup>2</sup>	Y	Y	Y	Y <sup>2</sup>
Car parking (where subject to FBT)	Y	Y	Y	Y	Y	Y	Y	Y
Clothing allowances/expenses	Y	Y	N	Y	Y	Y	Y	Y
Commission(s)	Y	Y	Y	Y	Y	Y	Y	Y
Company car (private use)	Y	Y	Y	N	Y	Y <sup>4</sup>	Y	Y <sup>4</sup>
Company house (rental value)	N	Y	Y	Y <sup>4</sup>	Y	Y <sup>4</sup>	Y <sup>3</sup>	Y <sup>4</sup>
Construction allowances	Y	Y	Y	Y	Y	N	Y	Y
Directors, where the director is not a working director	N	N	N <sup>11</sup>	Y	N	N	N	N
Directors Fees – where the director is a working director	Y <sup>7,9</sup>	Y	Y <sup>12</sup>	Y	Y	Y <sup>7</sup>	N	Y
Dirt money	Y	Y	Y	Y	Y	Y	Y	Y
Dividends	N <sup>10, except for a working director, refer footnotes</sup>	N <sup>5</sup>	N	N	N	N	N	N
Early retirement benefits	N	N	N	N	N	N	N	N
Entertainment allowance (subject to FBT)	Y	Y	Y	Y	Y	Y	Y	Y
Fringe benefits (at taxable or grossed up value)	Y (Gross)	Y (Gross)	Y (Taxable)	Y (Gross)	Y (Gross)	Y (Gross)	Y (Gross)	Y (Taxable)
Fringe benefits exemptions	N <sup>8</sup>	N <sup>8</sup>	N <sup>8</sup>	N <sup>8</sup>	Y	N <sup>8</sup>	N <sup>8</sup>	N <sup>8</sup>
Honorariums	N	N	N	N	N	N	N	N
Housing loans (part of salary package)	Y	Y	Y	Y	Y	Y	Y	Y
JobKeeper Allowance (working)*	Y	Y	Y	Y	Y	Y	Y	Y
JobKeeper Allowance (not working)	N	N	N	N	N	N	N	N
Laundry allowance	Y	Y	Y	Y	Y	Y	Y	Y
Living away from home allowance (where subject to FBT)	Y	Y	Y	Y	Y	Y	Y	Y
Long service leave (lump sum payment)	Y	Y	Y	Y	Y	Y	Y	Y
Lump sum payments in lieu of holiday, sick leave etc	Y	Y	Y	Y	Y	Y	Y	Y
Meal allowance	Y	Y	Y	Y	Y	Y	Y	Y
Over award payments	Y	Y	Y	Y	Y	Y	Y	Y
Overtime payments	Y	Y	Y	Y	Y	Y	Y	Y
Parental / Paternity / Adoption Leave (when funded by the Employer)	Y	N	Y	Y	Y	N	Y	Y
Payments in lieu of notice	N	N	N	N	N	Y	N	N
Payroll tax	N	N	N	N	N	N	N	N
Penalty rates	Y	Y	Y	Y	Y	Y	Y	Y
Profit sharing schemes (bonus in lieu of wages)	Y	Y	Y	Y	Y	Y	Y	Y
Profit sharing schemes (not subject to income tax or FBT)	N	N	N	N	N	N	N	N



Redundancy payments (ex-gratia payments)	N	N	N	N	N	N	N	N
Redundancy payments (accrued leave etc)	N	Y	N	N	Y	N	N	N
Reimbursement of work related expenses paid by the worker	N	N	N	N	N	N	N	N
Retrenchments / Severance payments	N	N	N	N	N	N	N	N
Royalties	N	N	N	N	N	N	N	N
Salary	Y	Y	Y	Y	Y	Y	Y	Y
Salary packaging	Y	Y	Y	Y	Y	Y	Y	Y
Shift allowance	Y	Y	Y	Y	Y	Y	Y	Y
Sick leave	Y	Y	Y	Y	Y	Y	Y	Y
Site allowance	Y	Y	Y	Y	Y	Y	Y	Y
Staff discounts	N	N	N	N	N	N	N	N
Superannuation contributions (superannuation guarantee/employer contribution)	N	N	N	Y	Y	N	Y	Y
Superannuation contributions (employee contributions)	Y	Y	Y	Y	Y	Y	Y	Y
Telephone allowance or expenses (subject to FBT)	Y	Y	Y	Y	Y	Y	Y	Y
Termination payments (accrued benefits)	N	Y	Y	N	Y	N	N	N
Termination payments (compensation for termination)	N	N	N	N	N	N	N	N
Third party remuneration (e.g. school fees)	Y	Y	Y	Y	Y	Y	Y	Y
Tool allowance	Y	Y	Y	Y	Y	Y	Y	Y
Travel allowance (subject to FBT)	Y	Y	N	Y	Y	Y	Y	Y
Travel allowance (discounted or free)	Y	Y	Y	Y	Y	N	Y	Y
Workers compensation payments	N	N <sup>6</sup>	N	N	N <sup>6</sup>	N	N <sup>6</sup>	N

#### Footnotes

- Accommodation allowance which is more than \$266.70 (2017/18), \$278.05 (2018/19), \$280.75 (2019/20) or \$283.45 (2020/21 - SA only) in Victoria and in South Australia.
- Motor vehicle allowance in relation to the use of the worker's own motor vehicle in the course of their employment, which is over 66 cents (2017/18), 68 cents (2018/19 onwards) per kilometre in Victoria and South Australia.
- Not assessable if provided as temporary accommodation associated with relocation.
- Only if subject to FBT.
- Assessable if paid in lieu of wages.
- Payments over and above benefits are counted as wages.
- If working directors are included on the policy from term inception or when employment commenced.
- There are types of organisations such as charities, churches and public benevolent institutions where worker benefits are not subject to fringe benefits tax up to a certain threshold. Once the workers' benefits exceed

the ATO fringe benefit threshold, employers must declare those fringe benefits as wages at the grossed-up value. Please visit <https://www.ato.gov.au/> for information on the various thresholds

- Wages, salary and other remuneration as a director of the company, by whatever means, that is in substance for personal manual labour or services.
- In the case of working directors, potentially assessable if paid in substance for a working director's personal labour or services. Please contact us to discuss further if this applies to your working directors.
- A non-working director is defined as a director who has not entered into a contract of service with the Company of which they are a director.
- Working director - director's fees : A working director is, as defined by the Workers Rehabilitation and Compensation Regulations, a person who is a director of a company and performs work for that company under a contract of service.

FBT = Fringe benefit tax.

#### JobKeeper Allowance (working)\*

When JobKeeper payments are above the workers normal wages, the additional payment should not be declared.

NSW JobCover Placement Program - wages paid to an injured worker under this scheme are excluded from remuneration.

Please note: Generally, if an allowance represents a reimbursement of a work related expense – it is not assessable. Otherwise it is assessable. For additional information and explanations please refer to the relevant State or Territory individual definitions which can be accessed via their websites listed below:

State	Website	Telephone number
ACT	<a href="http://www.accesscanberra.act.gov.au">www.accesscanberra.act.gov.au</a>	02 6207 3000
WA	<a href="http://www.workcover.wa.gov.au">www.workcover.wa.gov.au</a>	08 9388 5555
NSW	<a href="http://www.icare.nsw.gov.au">www.icare.nsw.gov.au</a>	13 10 50
TAS	<a href="http://www.worksafe.tas.gov.au">www.worksafe.tas.gov.au</a>	03 6166 4600 (Outside TAS) 1300 366 322 (Inside TAS)
VIC	<a href="http://www.worksafe.vic.gov.au">www.worksafe.vic.gov.au</a>	03 9641 1444 or 1800 136 089
NT	<a href="http://www.worksafe.nt.gov.au">www.worksafe.nt.gov.au</a>	1800 250 713
SA	<a href="http://www.rtwsa.com">www.rtwsa.com</a>	13 18 55
QLD	<a href="http://www.worksafe.qld.gov.au">www.worksafe.qld.gov.au</a>	1300 362 128

Please note that a fine or penalty may be applied for under-declaring remuneration.

