

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 ¹	Y	Y	Y	Y ¹
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 ²	Y	Y	Y	Y ²
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 ⁴	Y	Y ⁴
Company house (rental value)	N	Y	Y	Y ⁴	Y	Y ⁴	Y ³	Y ⁴
Construction allowances	Y	Y	Y	Y	Y	N	Y	Y
Director's fees (non-working)	N	N	N ¹¹	Y	N	N	N	N
Directors - payments to working directors (including fees)	Y ^{7,9}	Y	Y ¹²	Y	Y	Y ⁷	N	Y
Dirt money	Y	Y	Y	Y	Y	Y	Y	Y
Dividends	N ¹⁰	N ⁵	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 ⁸	N ⁸	N ⁸	N ⁸	Y	N ⁸	N ⁸	N ⁸
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 ⁶	N	N	N ⁶	N	N ⁶	N

Footnotes

1. Accommodation allowance which is more than \$238.10 (2011/12), \$248.25 (2012/13), \$250.85(2013/14), \$253.25(2014/15) or \$255.45(2015/16) in Victoria and in South Australia.
2. Motor vehicle allowance in relation to the use of the worker's own motor vehicle in the course of their employment, which is over 75 cents(2010/11, 2011/12 & 2012/13) or 77 cents(2013/14, 2014/15 & 2015/16) per kilometre in Victoria and South Australia.
3. Not assessable if provided as temporary accommodation associated with relocation.
4. Only if subject to FBT.
5. Assessable if paid in lieu of wages.
6. Payments over and above benefits are counted as wages.
7. If working directors are included on the policy from term inception or when employment commenced.
8. 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
9. Wages, salary and other remuneration as a director of the company, by whatever means, that is in substance for personal manual labour or services.
10. 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.
11. 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.
12. 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	www.accesscanberra.act.gov.au	02 6207 3000
WA	www.workcover.wa.gov.au	08 9388 5555
NSW	www.icare.nsw.gov.au	13 10 50
TAS	www.worksafe.tas.gov.au	03 6166 4600 (Outside TAS) 1300 366 322 (Inside TAS)
VIC	www.worksafe.vic.gov.au	03 9641 1444 or 1800 136 089
NT	www.worksafe.nt.gov.au	1800 250 713
SA	www.rtwsa.com	13 18 55
QLD	www.workcoverqld.com.au	1300 362 128

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

