

## Factsheet – Pay Records

### Why It Matters

As with so many things about being an employer, there are legal requirements about the records you need to issue and keep concerning the wages you pay employees. There are penalties for not complying with the record keeping requirements but, just as importantly, there are times you may need to be able to prove what you paid an employee and why.

### The Basics

The pay records that you need worry about are issuing every employee a payslip every pay period that contains all the details needed and keeping pay and associated details for seven years. These requirements are detailed in the *Fair Work Act 2009* (Cth) and the *Fair Work Regulations 2009* (Cth). The law is very prescriptive about what information must be included.

### The Detail

#### Payslips

An employer must give an employee a payslip within one day of paying the employee's wages. The payslip can be on paper or electronic. You must not knowingly issue a false or misleading payslip.

The detail that must be on a payslip is:

- ✦ **Identity:**
  - The employer's name.
  - The Australian Business Number (if any) of the employer.
  - The employee's name.
- ✦ **Dates:**
  - The period to which the pay slip relates.
  - The date on which the payment to which the pay slip relates was made.
- ✦ **Payments:**
  - The gross amount of the payment.
  - The net amount of the payment.

- Any amount paid to the employee as a bonus, loading, allowance, penalty rate, incentive-based payment or other separately identifiable entitlement.
  - For any deductions from the gross amount, the pay slip must include the name, or the name and number, of the fund or account into which the deduction was paid.
  - If the employee is paid at an annual rate of pay, the pay slip must also include the rate as at the latest date to which the payment relates.
- **Working Hours:**
- If the employee is paid at an hourly rate of pay, the pay slip must also include:
    - The rate of pay for the employee's ordinary hours (however described).
    - The number of hours in that period for which the employee was employed at that rate.
    - The amount of the payment made at that rate.
- **Superannuation:**
- The amount of each contribution that the employer made during the period to which the pay slip relates, and the name, or the name and number, of any fund to which the contribution was made; or
  - The amounts of contributions that the employer is liable to make in relation to the period to which the pay slip relates, and the name, or the name and number, of any fund to which the contributions will be made.

## Pay Records

By law, an employer must keep certain information for seven years that are in English, in a legible form that can be accessed by an inspector, that is part of an employee record. The details of what needs to be kept and some of the conditions attached is outlined below:

## Contents

An employee record must contain:

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- ☛ **Employer:**
  - The employer's name and Australian Business Number (ABN) (if any).
- ☛ **Employee:**
  - The employee's name.
- ☛ **Status:**
  - If the employment is full time, part time, permanent, temporary or casual.
- ☛ **Start:**
  - The employee's start date.
- ☛ **Pay:**
  - The rate of remuneration for the employee.
  - The gross and net amounts paid, along with any deductions from pay.
- ☛ **Casual & Part Time:**
  - For casual and irregular part time employees guaranteed a rate of pay for a set period, the hours worked by the employee.
- ☛ **Bonuses, Etc:**
  - Any incentive payment, bonus, loading, penalty rate, monetary allowance or other entitlement.
- ☛ **Overtime:**
  - If the employee is entitled to be paid a penalty or loading for working overtime, the number of overtime hours worked each day or the starting and stopping times of the overtime hours each day.
- ☛ **Averaging Hours:**
  - A copy of any written agreement to average the employee's hours of work.
- ☛ **Leave:**
  - Any leave taken, the balance of leave entitlements throughout the employee's employment, any leave that was agreed to be cashed out (including the written agreement to cash out leave, the rate of pay for the leave cashed out and the date the leave was cashed out).
- ☛ **Superannuation:**
  - The amount of contributions made, period over which they were made, the date when each contribution was made, how the employer became liable to make the contribution including the employee's choice of fund and the date that choice was made.
- ☛ **Individual Flexibility Arrangements (IFA):**
  - A copy of any IFA and any termination notice for that IFA.

- **Guarantee Of Annual Earnings:**
  - A copy of any guarantee of annual earnings given by an employer and any notice by the employer revoking that guarantee and the date of any revocation.
  
- **Termination Of Employment**
  - If an employee is terminated, a record of whether the employment was terminated by consent, by notice, summarily, or some other manner (which must be noted) and the name of the person who acted to terminate the employment.

## Conditions

Conditions attached to keeping an employee record are:

- **Transfer Of Business:** If a transfer of business happens:
  - The employee record must have the identity of the older employee, the new employer, and any transferring employee
  - The old employer must give the new employer all employee records for a transferring employee that the old employer was required to keep.
  - If an employee becomes an employee of the new employer after the transfer of business occurred, if the new employer requests, the old employer must give the new employer the employee record for the new employee.
  - A new employer must keep transferred employee records as if they were made by the new employer at the time the records were created.
  
- **Inspection And Copying Of A Record:**
  - An employee, or former employee, can request to inspect and copy their employee record that the employer holds and the employer must comply. If requested, the employer must tell the employee or former employee where the records are held.
  - Time limits apply to providing the information:
    - If the record is at the employee or former employee workplace – three working days to make the record available at that premises, or 14 days to post it to them.

- ▶ If the record is at another place, as soon as practicable to either make the record available at the place or post a copy to the employee or former employee.
  - The employee or former employee can interview the employer about the employee record.
  - A Fair Work Inspector can also inspect and copy employee records.
- ✦ **Accuracy:**
- The employer must make sure that employee records are accurate. They can only be altered to make corrections and a note that the record has been altered needs to be kept.
  - A person cannot use a false or misleading entry in an employee record knowing the entry is false or misleading.

## Need More

NatRoad's practical advisors are experienced in assisting employers meet their legal obligations in employment matters, including record keeping. For more information and advice about keeping your business on the right side of the law, contact a NatRoad adviser on (02) 965 3000 or [info@natroad.com.au](mailto:info@natroad.com.au).