

# ALERT

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## Getting ready for 1 July

The significance of '1 July' extends beyond it being the start of a new financial year.

It is also significant for employers this year because it is the date when:

- the latest rise in the superannuation guarantee contribution takes effect;
- transitional arrangements under modern awards end;
- a new pay rate for 20-year-old retail workers will start; and
- changes to Victoria's workers' compensation laws commence.

### What employers need to know about these changes

#### National minimum wages

As previously reported (see [related article](#)), the national minimum wage and minimum award wage will increase by 3% from 1 July 2014. The national minimum wage will be \$640.90 per week. For some employers, this increase will mean increased labour costs.

#### High income threshold

From 1 July 2014, the 'high income threshold' will rise from \$129,300 to \$133,000. The high income threshold is important because it:

- determines the eligibility of employees who are not covered by a modern award or enterprise agreement to make an unfair dismissal claim;
- is relevant to the maximum amount of compensation payable for unfair dismissals; and
- prescribes the minimum rate that an employer must 'guarantee' to effect a 'guarantee of annual earnings'.

#### Superannuation rises

Superannuation guarantee contributions will increase from 9.25% to 9.5% on 1 July 2014. Further, as from 1 July 2014, employers with 20 or more employees will be required to comply with SuperStream (see [related article](#)).



## Modern Awards – transitional arrangements

Many modern awards contain transitional arrangements that enabled wages, loadings and penalty rates to be phased-in. On 1 July 2014, these transitional arrangements are due to end, which means employers will be required to pay the full rates, loadings and penalties prescribed by the applicable modern award.

## Retail workers

From 1 July 2014, the minimum wage under the General Retail Industry Award 2010 for 20-year-old retail workers (who have worked for at least six months with their employer) will increase to 95% of the adult rate. From July 2015, employers will be required to pay these workers as adults.

## Victoria's new compensation laws

It is a case of 'out with the old, in with the new' for Victorian employers. As of 1 July, the 'WorkSafe Victoria' brand will be done away with and replaced with the regulator's legal name – the Victorian WorkCover Authority (VWA). And importantly, the *Victorian Workplace Injury Rehabilitation and Compensation Act 2013* takes effect on the same day.

The new legislation consolidates the *Accident Compensation Act 1985* (Vic) and the *Accident Compensation (WorkCover Insurance) Act 1993* (Vic). The new Act does not change the benefits available, nor does it change the way in which premiums are calculated – but it does mean that all matters relating to compensation, rehabilitation, return to work, dispute resolution, self-insurance,

WorkCover insurance, premiums and the administration of the WorkCover scheme are contained in one Act. Employers will also have a new right to seek review of their premiums at the Victorian Civil and Administrative Tribunal (VCAT) prior to commencing appeal proceedings in the Supreme Court.

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