

EMPLOYEE RELATIONS UPDATE – SEPTEMBER 2006

RECORD KEEPING REMINDER

In May 2006, M.J. Smith & Partners published an Employee Relations Update on the new Record Keeping Requirements under WorkChoices. Employers covered by the legislation have been given until 27 September 2006 to implement the new requirements and ensure compliance. With this date fast approaching, we felt it would be useful to provide clients with a reminder of the new requirements and a brief summary of obligations.

The table below summarises the hours of work records that must be kept for different categories of employees:

Employee Category	Record Keeping Requirement
Base Annual Salary is less than \$55,000 and there is no entitlement to overtime	The total hours worked each day
Base Annual Salary is less than \$55,000 and there is an entitlement to overtime	The start and finish times each day plus total hours worked
Base Annual Salary is greater than \$55,000 and there is no entitlement to overtime	No Record Keeping requirements
Base Annual Salary is greater than \$55,000 and there is an entitlement to overtime	The start and finish times each day

(Note – ‘Base Annual Salary’ is exclusive on bonuses and / or penalties)

As well as a record of work hours, the following records must be kept for a period of at least 7 years for each employee:

- The name of the employer
- The name of the employee and their date of birth
- The name of the “instrument” under which employee’s entitlements are formulated and their job classification
- Whether an employee is full time, part time or casual (and whether they are permanent or temporary)
- The employee’s employment status
- The employee’s date of commencement with the employer
- The rate of pay
- Any allowances, penalties, loadings, bonuses or incentive payments
- Date of payment and period to which it relates
- All leave taken and accrued
- Superannuation fund names and contributions
- The details of the employee’s termination, including how the employee was terminated, the date of termination and who terminated the employee

In addition to the above, if an agreement has been made in writing to average an employee’s reasonable additional hours over a set period, then a record of that agreement must be kept.

Records must be kept in a way that would allow a workplace inspector to determine whether an employee is receiving their correct entitlements. Keeping records on a computer system is acceptable as long as records can be printed out and inspected on request.

Penalties

Current maximum penalties (coming into effect from 27 September 2006) for a breach of record keeping requirements are:

- \$550 for individuals
- \$2750 for companies

What should you do?

It is recommended that as an employer, you review you current record keeping processes and payroll system to ensure compliance.

For further information about Record Keeping requirements or compliance with the new WorkChoices legislation, please contact the M.J. Smith and Partners office in your state, or visit our website www.mjsp.com.au

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