

## Policy: Payments to Individuals for their work

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There are strict rules surrounding payments to individuals. Without exception, they must take one of the following forms:

### i) Formal Employment Arrangement

*Example: Professional Staff*

The individual becomes an employee of the relevant association, and in turn receives superannuation<sup>1</sup> (and leave if part time or full time) in addition to their wage. It has long been custom to employ people under the ANU EBA as the Finance Officer is familiar with it and is able to direct questions to ANU HR. However, casual employees may also be employed under the relevant industry award to save money (especially hospitality staff), or at minimum wage in the case of paid student representatives.

Steps:

- Identify the appropriate pay grade. If using the EBA, refer to: <http://hr.anu.edu.au/employment-at-anu/salaries-and-conditions/casual-rates> (NB: ANU Officer 1 is still used by our organisations - contact the Finance Officer for the relevant rate)
- Ask the Legal Officer to draw up an employment contract (N/A for student reps)
- Ask the employee to complete [this form](#)
- Finance Officer will input information from the form into Xero
- Finance Officer will pay staff in next fortnightly pay run

### ii) Volunteer Receiving Taxable Honoraria

The individual is treated the same as employees for tax purposes only- they have tax deducted and receive superannuation. They are not an “employee” for the purposes of the *Fair Work Act*. (However receiving \$ for work may be a strong indicator of formal employment in the event of a legal challenge - this is not settled presently)

*Example: ANUSA/PARSA Exec, Woroni Editors*

Steps:

- Ask the employee to complete [this form](#)
- Finance Officer will input information from the form into Xero
- Finance Officer will pay staff in next fortnightly pay run

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<sup>1</sup> In any fortnight where gross payment > \$450

### iii) Volunteer Receiving Non-Taxable Honoraria

*Example: Woroni Subeditors*

If the payment fulfils [these criteria](#), it may be paid as non-assessable honoraria as defined by the ATO. These criteria are extremely stringent, e.g.: the payment must not be required or expected; the payment must not be a consequence of employment (i.e. or election); and it must be a token amount. For example, accountants have explicitly told us that ANUSA O-Week Honoraria (\$500) is taxable honoraria.

Hence for our purposes, any payment of \$500 or above may still be called 'honoraria' but must be treated as a wage for tax purposes (See (ii)).

### iv) Independent Contractor

*Example: musician, auditor*

If the individual doing work has an ABN, request that they provide a [valid tax invoice](#) for payment.

### v) Hobbyist

*Example: non-professional musician or artist*

If someone is working "in the course or furtherance of an activity done as a private recreational pursuit or hobby" (this means they do not routinely get paid for the type of work they are doing), ask them to fill out a [Statement by a supplier form](#). Once completed, they may be paid directly without worrying about tax/invoices, however you must still provide evidence of what the payment is for (e.g. an email).

Review date: on or before 12/2024