

A close-up photograph of a person's hands writing on a document with a red pen. The person is wearing a light-colored long-sleeved shirt. The background is a blurred office environment with a desk, a white mug, and some papers. A red vertical bar is visible on the left side of the image.

WORKING IN AUSTRALIA

Employment Tax Checklist

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The recruitment of foreign workers leads to additional Australian employment tax considerations for the employer, and potential Australian entitlements for the in-bound employee. This checklist sets out some of the considerations, to assist with planning for and complying with any resulting Australian employment tax obligations.



HAVE YOU CONSIDERED...?

Australian Tax File Number requirements for the employee?

Whether a Double Tax Agreement is in place between Australia and the employee's home country?

How the employee's Australian Pay-As-You-Go Withholding (PAYG-W) obligations will be met? Will the employee remain on home country payroll, or will they be set up on the host country (i.e. Australian) payroll?

Whether a Bilateral Agreement is in place between Australia and the employee's home country and, therefore, whether a Certificate of Coverage should be obtained to exempt superannuation obligations in the host country?

The superannuation exclusions available to certain foreign executive employees who hold a particular subclass of visa?

Choice of Superannuation Fund obligations for employees, where Australian superannuation obligations exist?

Your reporting obligations if the employee participates in an Employee Share Scheme (ESS)?

The Fringe Benefits Tax (FBT) implications (including any available FBT concessions and their requirements) associated with the provision of non-cash benefits to the employee?

For example:

- Relocation costs
- Provision of accommodation
- Use of a motor vehicle
- Living away from home allowance
- Home leave flights

Australian payroll tax obligations in the State/Territory in which the employee is working?*

Australian WorkCover/Workers' Compensation obligations in the State/Territory in which the employee is working?*

*** care should be taken where the employee remains on their home country payroll, to ensure the employee's taxable wages/ rateable remuneration are appropriately declared.**

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