

# Record Keeping



## GUIDE

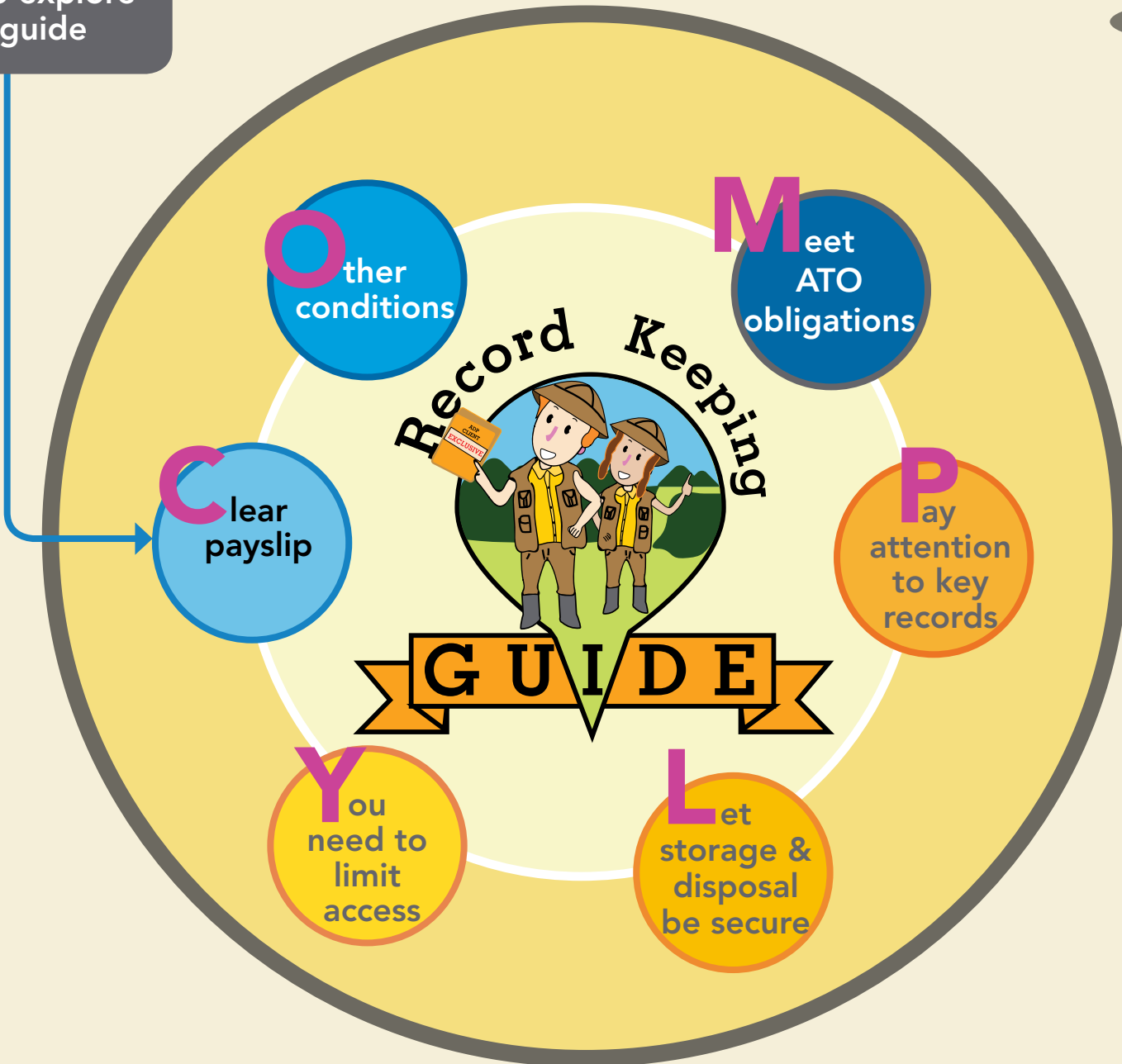
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The information provided in this guide is sourced from the Australian Taxation Office and the Fair Work Ombudsman and is current at 30 May 2017. ADP does not warrant the accuracy of this information and you should obtain specific professional advice for your particular circumstances.



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## Clear payslip

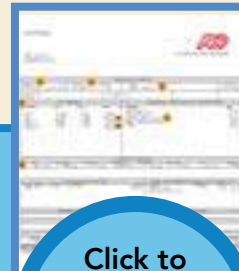
**Payslips** can be issued electronically or on paper but must be sent to each employee within 1 working day of their pay day, even when they're on leave.

Distribution must occur in a secure and confidential manner and payslips must be in an easily printable format, as per Australian work place legislation.

Here are **11 elements that every payslip must include:**

1. Employer's name (e.g. XYZ Pty Ltd trading as XYZ Pie Shop)
2. Employer's Australian Business Number (ABN) if applicable
3. Employee's name
4. Date of payment
5. Pay period (eg. 24/3/12 to 30/3/12)
6. Gross pay & net pay
7. All loadings, allowances, bonuses, incentive-based payments, penalty rates or other paid entitlements that can be separated out from an employee's ordinary hourly rate
8. If the employee is paid an hourly rate:
  - The ordinary hourly rate (generally the rate excluding loadings, penalties and allowances)
  - The number of hours worked at that rate
  - The dollar amount of pay at that rate
9. If the employee is paid an annual rate (salary), the rate as at the last day in the pay period the payslip relates to
10. Any deductions from the employee's pay, including:
  - The amount and details of each deduction
  - The name and number (if not applicable, provide just the name) of the fund/account the deduction was paid into
11. All superannuation contributions paid for the employee's benefit:
  - The amount of contributions made during the pay period (or the required amount of contribution)
  - The name and number (if not applicable, provide just the name) of the superannuation fund the contributions were made to

It is not mandatory to show leave balances on an employee's payslip but the Fair Work Ombudsman recommends doing this as best practice as this allows employees to keep track of leave balances which can make dealing with leave requests clearer.



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payslip

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### *All records must:*

- Be in a form that is readily accessible when requested by the relevant agency such as the ATO and Fair Work
- Be in a legible form and in English (preferably in plain, simple English)
- Be kept for a minimum of seven years (Fair Work), five years (ATO)
- Not be altered unless for the purposes of correcting an error, in which case notes should be made of the error & correction taken
- Not be false or misleading, to the employer's knowledge.

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## Meet ATO obligations

**Australian Tax Office (ATO)** requires record relating to Pay as you go (PAYG) withholding tax deducted from an employee's wages including:

1. Wages and other payments paid
2. Voluntary agreements
3. Current employment declarations, Tax File Number (TFN) declarations and withholding declarations
4. Copies of payment summaries & statements, or electronic annual reports (if applicable)
5. Eligible termination payments records
6. Records of personal services attributed income
7. Statements by a supplier where no ABN was quoted
8. Records of amounts withheld where no ABN was quoted
9. Annual reports of PAYG withholding where no ABN was quoted

Although legislation imposes the tax record keeping obligation on employers, Australia's new **Single Touch Payroll (STP)** will support this by storing and displaying some payment summaries online for the employee to access via myGov\*. As well as the ability to update their own records with the tax office such as TFN declaration details and personal information.

\*Only after their employer has reported via STP, it does not include pre-STP reporting.

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1. **Employment contracts.** Including the employer's legal name, employee's legal name and whether the employee is permanent full-time, permanent part-time, temporary or casual
2. **Payslips** (refer to 'Clear Payslip')
3. **Time sheets.** Create and keep accurate and complete records for each of your employees including details such as: date, time shift started/ended, total hours worked. If employees agree to averaging their hours of work, employers must make and keep a written agreement of this, showing mutual consent
4. **Employee leave records**
5. **Records of superannuation contributions**
6. **Records regarding termination of employment**
7. **Copies of any individual flexibility agreements** entered into between the employer and employee

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There are a lot of choices for **storage** from old fashioned paper to microfilm or electronic file records in the cloud. You need to keep in mind that you and relevant members of your team will need quick, easy and secure access to this information in the case of an employee query or investigation.

If you choose paper-based records, it's a good idea to instigate a disaster plan to guard against physical damage.

When it's time to **dispose** of records remember to follow secure document disposal methods to protect privacy and ensure that confidential information about you and your employees do not fall into the hands of criminals.

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**Access** to confidential payroll files should be limited to staff who work directly with payroll. In some cases (i.e. TFN) it is a criminal offence for this information to be seen/accessed by an un-authorized party.

You may also need to have a planned absence or disaster plan to identify replacements so that you have uninterrupted access when the person in charge of your records goes on holiday or is away due to illness.

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## Key Benefits of the ADP Service Solution

### Ease of Use

A reliable web-based system that is available 24/7\* to suit your work schedule.

### Compliance

Updated with Pay-As-You-Go tax changes, Fair Work Act changes & other applicable payroll legislation. Reduces the potential for payment errors and mitigates your risk.

### Convenience & Support

Access to a dedicated Client Support Team during business hours, which means you are never doing the process alone.

### Potential Increased Productivity

Potential savings in time, labour and costs by better utilising your staff's core skills.

### Disaster Recovery

Our security systems are state-of-the-art with purpose-built, off-site backup systems.

### Business Continuity

ADP's payroll services are operated on a hosted website off-site from your premises – we do all the system updates and upgrades for you.

\* Subject to system maintenance times

## About ADP



### Payroll experts in the local market

Working with Australian businesses for over 35 years.



### Servicing over 7000 clients and 12 million payslips

Across Australia and New Zealand every year.



### Over 300 staff Australia wide

With offices based in Adelaide, Brisbane, Melbourne, Perth and Sydney.



### Global market leader

With over 60 years experience, ADP leads the way for HR and Payroll services.



### Long-standing credit rating

One of the most financially stable organisations in the world rated Aa by Moody's & AA by Standard and Poor.

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