

2020 INCOME REPORTING CHANGES

Starting 1 July 2020

This factsheet is for anyone who is earning income from employment and receiving a Centrelink payment at the same time.

From 1 July 2020, **the way that you report your employment income to Centrelink will change.**

This factsheet covers:

- How do report my income from 1 July 2020?
- What is Single Touch Payroll?
- How is the new process for reporting my employment income different from the old process?
- How will lump sum payments be assessed?
- Where can I get help if I'm confused about the changes?

How do I report my employment income from 1 July 2020?



From 1 July 2020, instead of reporting to Centrelink what you have **earned**, you will report to Centrelink what you have been **paid** during your entitlement period as shown on your payslip.

This change means you will no longer need to manually calculate your employment income during the relevant fortnightly entitlement period based on the number of shifts and hours you have worked and your rate of pay.

What is Single Touch Payroll?

Since 1 July 2019, most employers have been required to report data directly to the Australian Tax Office (ATO) each time they run their payroll through the new Single Touch Payroll system.



By September 2020, most people receiving a payment from Centrelink will be to see this data when they go to report their employment income.

The idea behind providing this information from the ATO is to help you check that the employment income you report is the correct amount.

However, it is important to note that you will still be responsible for reporting your income to Centrelink and ensuring the amount you report is correct. For example, if your employer reports an incorrect amount to the ATO, you will still need to report the correct amount to Centrelink.



After 1 July 2020, you are still responsible for ensuring that the correct employment income amount is reported to Centrelink.

How is the new process for reporting my employment income different from the old process?

How you report your employment income now	How you report your employment income after 1 July 2020
You report what you have earned during your fortnightly entitlement period	You report what you have been paid during your fortnightly entitlement period
You calculate the number of shifts you have worked and the rate of pay for the hours you have worked during the fortnightly entitlement period	You will report the gross income you are paid, as shown on your payslip
You are 100% responsible for making sure that the amount of income you report is correct	You are still 100% responsible for making sure that the amount of income you report is correct, but Centrelink will start providing you with a pre-filled amount from the ATO for you to check

How will lump sum payments be assessed?



Any lump sum payments you receive from your employer, such as back pay or bonuses, will be assessed when it is paid to you. Centrelink will apportion the income forward, by dividing the amount of the lump sum by the corresponding employment period. For example, back pay for the previous 12 month period will be assessed when it is paid to an employee and divided by 52 weeks going forward.

Where there is no corresponding timeframe with a lump sum payment, Centrelink can decide how to apportion the income forward, between 2 and 52 weeks.

There are special apportionment arrangements for pensioners who receive employment income monthly to avoid fluctuations in their pension payments. The monthly income will be treated forward as if it were paid in two fortnights so that their pension payment can remain the same.

Where can I get help if I'm confused about the changes?

The transition to the new process may be confusing, especially for the fortnight which falls before or after the change on 1 July 2020. For the transition fortnight, you may need to make a manual calculation to avoid double-reporting of your income.



If you are confused about the changes to income reporting processes, you can contact Centrelink to ask for help.

If you are unable to resolve your issue with Centrelink, contact one of our member centres at www.ejaustralia.org.au.

Where can I get help?



You can get free legal advice from your closest member centre which can be found at <http://ejaustralia.org.au/legal-help-centrelink/>

This factsheet does not constitute legal advice.

Please contact any of our member centres if you wish to obtain free legal advice.
Find your closest member centre at www.ejaustralia.org.au