



Payroll Tax Rebate Scheme – Jobs Action Plan

The Jobs Action Plan is designed to give businesses an incentive to employ new workers and expand their enterprises in both metropolitan and regional areas in NSW.

Under the plan, businesses that increase the number of NSW full-time equivalent (NSW FTE) employees, will receive a payroll tax rebate following the employment of each additional NSW employee in a position that is a new job.

Payroll Tax Rebate Scheme – Jobs Action Plan (Fresh Start Support)

As part of the Jobs Action Plan Rebate Scheme, the government has now added a new initiative called the Jobs Action Plan Rebate Scheme – Fresh Start Support.

The new Fresh Start Support Rebate is a **one-off amount of \$1000** that can be claimed at the first anniversary of an eligible employee's employment start date.

This rebate is eligible to employers who employ a new person who has been made redundant by an employer who is a designated employer within the period of 1 January 2014 and 30 June 2015.

A designated employer is a business that has made a significant number of redundancies that has an impact on an industry or a region.

Employers are required to provide documentation in relation to the employee's redundancy to be eligible for the Fresh Start Support Rebate, for example a termination letter.

All existing conditions that apply to the current Jobs Action Plan Rebate scheme also apply to the new Fresh Start Support Rebate.

Extension of the Jobs Action Plan rebate scheme

The Jobs Action Plan has been extended for a further four years to 30 June 2019.

Increase of rebate from 1 July 2013

The rebate has increased from \$4000 to \$5000 for new jobs created on or after 1 July 2013 and provides for payment of the rebate in two parts:

- \$2000 will be paid at the end of the first year of employment, and
- \$3000 will be paid at the end of the second year of employment.

Eligible locations

Metropolitan area – being the area constituted by the following Local Government Areas:

- a) Ashfield, Auburn, Bankstown, Blacktown, Blue Mountains, Botany Bay, Burwood, Camden, Campbelltown, Canada Bay, Canterbury, Fairfield, Gosford, Hawkesbury, Holroyd, Hornsby, Hunters Hill, Hurstville, Kogarah, Ku-ring-gai, Lane Cove, Leichhardt, Liverpool, Manly, Marrickville, Mosman, North Sydney, Parramatta, Penrith, Pittwater, Randwick, Rockdale, Ryde, Strathfield, Sutherland Shire, Sydney, The Hills Shire, Warringah, Waverley, Willoughby, Wollondilly, Woollahra and Wyong
- b) Newcastle
- c) Wollongong.

Non-metropolitan area includes any part of the State that does not fall within the metropolitan area.

Application for registration

Employers are required to register the employment of a person in a position that is a new job and advise the number of NSW FTE employees immediately before the position was filled. Registration may be made:

- by an employer who is registered and paying payroll tax in NSW
- within 30 days after the employment to which the application relates first commences.

Application for registration for the Payroll Tax Rebate Scheme (Jobs Action Plan) is available at www.osr.nsw.gov.au

Eligible employment

The employment of a person is eligible for the rebate scheme if the employment meets all of the following conditions:

- a person is employed (full time or part time) in a position that is a new job
- the employment commences on or after 1 July 2011
- the employment is maintained for a period of at least two years
- the services of the employee are performed wholly or mainly in NSW.

New job

A position is a new job if the employment of a person in that position results in a sustained increase in the employer's NSW FTE employees. This increase must be sustained on both the first and second anniversaries of the date the employment commenced and throughout the two years to be eligible for the full rebate. However if employment is only maintained for the first year then the rebate will only be paid for that year. If the NSW FTE falls below the NSW FTE required for the payment of the rebate for more than 30 days at any time during the year, the Chief Commissioner may refuse to pay the rebate.

Calculation of the number of NSW FTE employees

The number of NSW FTE employees of an employer on the date of appointment of a new employee (excluding the new employee) and on the first and second anniversary of a new employee's appointment (including the new employee) is the sum of $F + A/B$, where:

F = the number of full-time NSW employees on that date

A = the total number of hours worked in the preceding pay period by all part-time NSW employees employed on that date

B = the average number of hours worked in the preceding pay period by all full-time NSW employees employed on that date.

The Chief Commissioner may agree to an alternative method of calculating the number of NSW FTE employees if it is too difficult or costly to determine the exact figures.

Minimum employment period

To be eligible for the first and second year rebate, the minimum employment period is two years starting on the date the employment concerned is claimed to commence.

Employment is maintained if there is always a person employed in the position for which the rebate is claimed.

A vacancy in a position can be disregarded if the number of days vacant does not exceed a total of 30 days in each year of employment for which the rebate is claimed.

The rebate may be paid if the 30 days are exceeded but only if the Chief Commissioner is satisfied that the length of the vacancy is beyond the employer's control. In this case the rebate will be paid on a pro-rata basis.

Excluded employment

What types of employment are excluded from the rebate?

The employment of a person by an employer is excluded from the rebate scheme if:

- the person was employed by the employer claiming the rebate in the previous 12 months
- any wages paid by the employer to the person are not taxable wages (that is, the wages must be subject to NSW payroll tax under the nexus provisions)
- the employer is entitled to a rebate under the *Payroll Tax Act 2007* (that is, apprentice/trainee rebate)
- a rebate, subsidy or other assistance is payable to the employer for the employment of the person by the State
- the employer is taken to be the employer of the person under the contracting provisions or employment agency provisions of the *Payroll Tax Act 2007*
- the employer is the Crown in right of NSW or in any of its other capacities
- the employer is a public, local or municipal body or authority.

MORE INFORMATION



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Phone enquiries
8.30 am – 5.00 pm, Mon. to Fri.



Counter services
8.30 am – 4.30 pm, Mon. to Fri.

*Interstate clients please call (02) 9689 6200.
Help in community languages is available.

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Recent changes to excluded employment in respect of internally transferred employees

On 19 November 2014, amendments were made to the Jobs Action Plan Rebate Scheme.

Provided that the former employer was eligible for the rebate, new employers will remain eligible if:

- an employee is transferred between employers within the same group
- an employee is transferred to a new employer as a result of a merger, take over or acquisition.

Applying for a rebate

To apply for the rebate employers will need to submit an application for the payment of the rebate in respect of the employment of a person.

An application for rebate may be lodged:

- within 30 days after the end of the year of employment, and
- if the employment is eligible employment.

Payment of the rebate

Certain conditions apply in respect of the payment of the rebate for each position that is a new job. These conditions are:

- for part-time employees, the rebate will be pro-rated based on NSW FTE hours of employment
- the annual rebate will be payable if the higher level of employment is maintained for the first and second anniversary of employment. However, you are not required to repay the rebate for the first year of employment if you do not sustain the increase in employment at the second anniversary.

Amount of rebate payable per employee

The total rebate payable is the annual rebate amount per full-time employee and a proportion of the annual rebate amount for a part-time employee.

The **annual rebate amount** payable from 1 July 2011 to 30 June 2013 on each anniversary is \$2000.

The **annual rebate amount** payable from 1 July 2013 on the first anniversary is \$2000.

The **annual rebate amount** payable from 1 July 2013 on the second anniversary is \$3000.

In the case of part time employees, the rebate payable on each anniversary is:

annual rebate amount x C/D, where:

C = the number of hours worked by the employee during the previous 12 months

D = the average number of hours worked by full-time NSW employees during the previous 12 months.

The maximum amount of rebate payable per NSW FTE employee to an employer should not be reduced if the payroll tax attributed to a particular new employee's wages is less than the rebate.