

Remuneration guide

Effective 1 July 2025

Remuneration includes all amounts paid or payable to or for the benefit of a worker during a premium period, but it's not just wages or salary you need to include in your remuneration return and reconciliation statement. Benefits to workers include items such as superannuation contributions, fees or bonuses, footwear, uniform, clothing and/or dry cleaning allowances and living away from home allowances. There are more than 60 allowances or benefits that could make up the remuneration you pay your workers. Some areas that ReturnToWorkSA (RTWSA) has identified that employers sometimes overlook include:

- understating superannuation and gross wages
- not including payments to subcontractors who are taken to be workers under the Act
- remuneration that is not verified against original records.

This booklet explains some of the payments made to a worker. This will help you calculate the premium payable for your necessary declaration of total remuneration paid to workers employed by your business.

Note: The following information has been provided as a general guide to what is and is not included in remuneration. It does not limit the term 'remuneration' for ReturnToWorkSA premium purposes. Information (including dollar amounts and any figures) are subject to change.

Remuneration and Goods and Services Tax (GST)

In relation to salary sacrifice benefit(s) or fringe benefit(s), 'remuneration' is the GST-inclusive value of the benefit(s) (i.e. cost of the acquisition of the benefit by the employer (after deducting input tax credits to which the employer is entitled on account of the acquisition of the benefit) plus GST paid by the employer to the Australian Taxation Office).

In the case of payment(s) to contractors as a worker as defined under the Act, 'remuneration' is the GST-exclusive amount of the prices paid by the employer to the contractor (i.e. amount paid to the contractor less any amount paid to the contractor on account of GST less any input tax credits to which the employer is entitled in relation to the acquisition of the contractor's services).

Remuneration – items that are included or excluded

The items listed below are items included within the term 'remuneration' unless where specifically shown as being excluded. If you are making payment(s) to or for the benefit of a worker that are not listed, contact RTWSA on 13 18 55 for further information.

Accommodation allowance

An amount paid to or for the benefit of a worker in respect of the cost of accommodation at a hotel, motel, guesthouse or other temporary lodging, while the worker is absent from their usual residence in the course of employment during the financial year concerned and at a rate that does not exceed:

- 1) the total reasonable amount for daily travel allowance expenses using the lowest capital city for the lowest salary band for the financial year determined by the Commissioner of Taxation of the Commonwealth,
- 2) if no determination referred to 1) above is in force, the rate prescribed by the regulations under the *Pay-roll Tax Act 2009*.

An allowance in the form of a payment paid to or for the benefit of a worker (including a Living away from home allowance or travelling allowance) is included as an accommodation allowance provided it has the following characteristics:

- it is an allowance (not a direct reimbursement of an expense incurred by the worker)
- it is a payment made by an employer to a worker on the grounds that the circumstance of a particular employment event (i.e. unable to return home at night) requires the worker to use accommodation at a place other than their normal place of residence where the employer is bound by an award, or registered industrial agreement or industrial agreement relating to an award to make the payment to a worker
- the allowance is to provide money for accommodation expenses and related expenses (e.g. meals and incidentals).

Note: The fact that the worker may not choose to use the full amount of the allowance (e.g. a worker may choose to sleep in the cabin of the truck whilst away from home) does not in itself stop the payment from being treated as an accommodation allowance. It is the 'character' of the payment, determined by the intent of the employer to relieve the worker of the burden of accommodation expenses, which is the determining factor.

A payment by way of an accommodation allowance is not included if the payment is made at the rate not exceeding the relevant rate for a particular period as determined by the Commissioner of Taxation of the Commonwealth or if no determination is in force, the rate prescribed by the regulations under the *Pay-roll Tax Act 2009*. This rate is determined normally in June each year and sets the amount to operate from 1 July.

The following Table sets out the rate for the purposes of 'accommodation allowance' in the calculation of 'remuneration' for the purposes of the premium payable by an employer under the *Return to Work Act 2014* (or former Act).

Effective date	Accommodation allowance not to exceed
1 July 2025 onwards	\$323.00 (per night)
1 July 2024 to 30 June 2025	\$318.90 (per night)
1 July 2023 to 30 June 2024	\$310.70 (per night)
1 July 2022 to 30 June 2023	\$289.15 (per night)

Annual leave

Payment(s) that are ordinarily are paid together with leave loading of 17.5% where applicable. This includes any payment to a worker in lieu of annual leave foregone or deferred (except a termination payment from 1 July 1992). This includes annual leave payments made to a worker who has a claim for compensation and is receiving (or has received) income maintenance.

Back pay

Any payment in arrears, which is made to workers or ex-workers for work previously carried out. This includes retrospective payments due as a result of award rate increases or national wage increases.

Bonuses

Gratuities or rewards paid or provided by the employer over and above a fixed salary or wage. This includes non-business related travel, such as the cost of fares, accommodation, meals and incidentals paid by the employer for the benefit of a worker. Excludes payments as rewards or prizes provided by any organisation such as a distributor or trade association (e.g. sales targets met, apprenticeship awards) paid by but not originating from the employer and travel undertaken by a worker relating to the employer's trade or business (e.g. conference or trade fair).

Call out or call back allowance

An amount paid to compensate for working outside of normal work hours, or inconvenience experienced to return to work (outside normal working hours e.g. TV technicians, maintenance workers, medical staff etc.). This may be in addition to any overtime paid.

Clothing allowance

An amount paid to enable purchase of clothing, or to compensate for any wear and tear of clothing, whether or not worn at work. Excludes payment(s) which is a reimbursement to the worker for specific expenditure.

Club subscriptions

An amount paid to or on behalf of a worker, for membership of any club or association. Excludes any club subscription where it can be reasonably demonstrated that the payment is a business-related expense or where the worker's membership is in the interests of the employer's trade or

business.

Commission

Payments, usually to sales or marketing personnel, made in addition to any salary retainer, for units sold or sales targets achieved. Includes bonuses or 'spotter's fees' paid to non-marketing employees.

Credit units (trade dollars)

From 1 November 1994, all payments qualifying as credit units including trade dollars ('credit units') arising from a barter or counter trade transaction are included. The value of any credit unit is valued as equal to one Australian dollar (or another value where it is established, to RTWSA's satisfaction, a particular organisation's credit units are being traded consistently at that value).

Dirt money

An amount paid for work performed in a dirty or unpleasant environment (e.g. boiler scraping, handling toxic chemicals etc.), sometimes referred to as 'danger money'.

Disability allowance

An amount paid to compensate for lack of facilities or inconvenient working conditions (e.g. exposure to elements, distance to travel to work, remote location of workplace).

Dry cleaning

Payments made by the employer to the workers to cover cleaning of uniforms or other clothing. Excludes payment(s) made as a reimbursement to the worker for specific expenditure.

Entertainment allowance

An amount paid to cover expenditure for entertainment of clients or business associates. Includes entertainment that takes place at the worker's home or another venue outside business premises.

Fares for travel

An amount paid to a worker for non-business/work related travel. Payment includes the cost of obtaining passports, visas, medical certificates and travel insurance. The payment is included whether or not the worker personally undertakes travel or whether the payment is used to finance the travel of another person (e.g. a member of the worker's family). Excluded if the payment is reimbursement

to the worker for specific expenditure on business-related travel.

First aid allowance

An amount paid to a worker, qualified or competent to administer first aid, for being on standby to treat an illness or injury at work.

Follow the job allowance

An amount paid to a worker to compensate for the need to work away from home at various locations. (e.g. prospecting camp, shearing team, circus, travelling trade fair).

Fringe benefits

Payments paid by an employer as a benefit that is part of the worker's reward. These payments are to be included where the fringe benefit is of a quantified monetary value. Any fringe benefit tax paid by the employer is not a part of a fringe benefit.

Footwear allowance

An amount paid to purchase and maintain footwear whether or not used at work (e.g. safety boots, dancing shoes). Excluded if payment is a reimbursement to the worker for specific expenditure on footwear intended to be worn at work.

Health insurance

An amount paid by the employer to a health insurance fund for the benefit of workers. Includes any 'top up' payments by the employer to cover the difference between the amount billed by a medical provider and that paid by a health insurance fund. The gross amount of premiums paid by the employer is included as remuneration. Excluded are the proceeds of an insurance claim.

Higher duty allowance

An amount paid to a worker who temporarily fills a position.

Holiday pay

An amount paid to a worker taking recreation leave and may be paid together with a leave loading e.g. 17.5%. Includes any payment (except a termination payment from 1 July 1992) to or for the benefit of a worker in lieu of holiday pay foregone or deferred.

Home entertainment allowance

An amount paid to the worker to cover expenditure for entertainment of clients or business associates at the worker's place of residence.

Incentives

Employee (worker) incentive plan contributions

Industry allowance

An amount paid to a worker in a specific industry, or working under a specific industrial award e.g. building and plumbing industry allowances.

Instructor's allowance

An amount paid in recognition of any qualifications or experience as an instructor, trainer, lecturer or adviser, or for work performed in any of these categories.

Leave loading

An amount paid in addition to, and usually together with, any payments made to a worker for recreation leave. The payment is generally 17.5% of leave pay, but may vary where the payment is made outside of an award or industrial agreement.

Life assurance

Any premium or lump sum paid on behalf of a worker to a life insurance company for a policy of life insurance. The proceeds of any insurance policy are not remuneration and:

- includes premiums paid on any investment-type policy such as an Insurance Bond or Capital Guaranteed Investment Bond
- includes purchase by the employer of an annuity on behalf of the worker
- excludes purchases paid on a worker's policy where the company is the ultimate beneficiary.

Living away from home allowance

A payment made by an employer to a worker on the grounds that the circumstance of a particular employment event (i.e. unable to return home at night) requires the worker to use accommodation at a place other than their normal place of residence where the employer is bound by an award, or registered industrial agreement or industrial agreement pursuant to an award, to make the payment to a worker. Excludes payment(s) which is a reimbursement to the worker for specific expenditure. From 1 February 1993, Living away from home allowance is to be considered as an accommodation allowance (see Accommodation

allowance).

Loadings

Amounts paid above usual salary or wages to the benefit of a worker for specific work-related circumstances such as leave loading, overtime, remote locations, dangerous work etc.

Locality allowance

Paid to or for the benefit of a worker as compensation for residing and/or working in a distant, unpleasant or remote location.

Long service leave

Payments made as recognition of a designated number of years of service. Employer contributions to the Long Service Leave Board or any other retirement fund likely to benefit workers individually or collectively are included. Lump sums paid where the long service leave had fully accrued prior to 30 September 1987 are excluded. From 1 July 1992 payments as a contribution to a fund are excluded if they relate to redundancy/severance payments to a worker.

Meal allowance

An amount paid to a worker to provide a meal when work is performed inside or outside the usual hours of work. The payment attracts a premium whether or not the worker actually purchases a meal. Excluded is a payment that is a reimbursement to the worker for specific and actual expenditure.

Motor vehicle allowance

A payment to a worker for using their own motor vehicle in the course of their employment. Excluded is a payment in respect of the use of the worker's own motor vehicle in the course of employment, for the financial year concerned, at a rate that does not exceed:

- i) the rate prescribed by the regulations under section 28-25 of the *Income Tax Assessment Act 1997 of the Commonwealth* for calculating a deduction for car expenses for a large car using the 'cents per kilometre method'
- ii) if no rate is prescribed as referred to in i) above, the rate prescribed by the regulations under the *Pay-roll Tax Act 2009* for each kilometre actually travelled in the

course of and for the purposes of that employment.

A payment by way of a motor vehicle is not included if the payment is made at the rate not exceeding the relevant rate for a particular period as determined by the Commissioner of Taxation of the Commonwealth or if no determination is in force, the rate prescribed by the regulations under the *Pay-roll Tax Act 2009*. This rate is determined normally in June each year and sets the amount to operate from 1 July.

The following table sets out the rate for the purposes of 'motor vehicle allowance' in the calculation of 'remuneration' for the purposes of the premium payable by an employer under the *Return to Work Act 2014*.

Effective date	Motor vehicle allowance not exceeding
1 July 2025 onwards	88c per km
1 July 2024 to 30 June 2026	85c per km
1 July 2023 to 30 June 2024	78c per km
1 July 2021 to 30 June 2023	72c per km

Other allowances

Any other allowance, not otherwise itemised, as a reward to a worker in the form of a payment made to or for the benefit of a worker. Excluded is a payment(s) that is a reimbursement to the worker for specific expenditure.

Over award payment

A payment that relates to an amount paid, which is above the basic rate set down by an industrial award applicable to that worker.

Overtime allowance

An amount paid that the worker may retain whether or not any overtime is worked. The payment may be in lieu of any contingency to work outside normal working hours.

Paid parental leave

The payment of normal salary or wages to a worker to cover any period the worker was absent from work due to employer paid parental leave. Excluded are all payments to or for the benefit of a worker as a consequence of a worker's eligibility to a payment

by way of a determination in terms of the Paid Parental Leave Scheme under the *Paid Parental Leave Act 2010* of the Commonwealth.

Penalty rates

An amount paid for work performed outside the usual structure of a working day or week e.g. shift-work penalty rates. The concept differs from overtime in that the usual quantity of hours would tend to be worked but the work would be carried out by a different arrangement of shifts, or in a workplace with varying conditions.

Personal accident and sickness insurance

An amount paid to or for the benefit of a worker to affect or maintain insurance to cover the contingency of loss of wages or other income due to accident, illness or death through an accident. Excluded are proceeds of an insurance claim or where the employer is the ultimate beneficiary.

Piece work payments

Productivity-based payments made to a worker at an agreed rate per item produced, assembled or fabricated by that worker.

Qualifications allowance

An amount paid in recognition of any academic or technical qualification or attained level of competence possessed by the worker e.g. degree, diploma, certificate or level of specialised experience.

Reimbursement payments

Excluded are payments for reimbursement to a worker for payments or expenses actually made or incurred by a worker for goods or services for, or on behalf of, an employer or acquired by or provided to a worker in the course of, and for the purposes of, work performed by the worker for that employer.

Remote area allowance

An amount paid to or for the benefit of a worker for any inconvenience experienced or expected to be experienced while work is performed in any area lacking facilities or access to amenities and services, e.g. desert mining camp, cattle station, Antarctic base. The payment is included whether or not the worker actually works in a remote area.

Rental allowance

An amount paid to or for the benefit of a worker to alleviate the cost to the worker of obtaining rented accommodation. The payment is included whether or not the worker takes up residence in rented premises.

Representation allowance

An amount paid to cover time and expense which has been or may be incurred by the worker in the capacity of having to represent, deputise or act as proxy for the employer in any conference, meeting, negotiation or business-related discussion for that employer.

Salary

Payments made to a worker for work performed over a set period of time. The term is interchangeable with wages (see wages). This often includes loadings, above-award payments, overtime or out-of-hours work, and is often distinguished by pay periods of greater than one week.

Salary or wages can be sacrificed into a variety of benefits including superannuation, car fringe benefits (providing a car for private use) and expense payment fringe benefits such as school fees, childcare costs, loan repayments, home/desktop or laptop computer. The ReturnToWorkSA premium is payable on a worker's total remuneration package which includes the amount of salary or wages sacrificed.

Salary continuance insurance

An amount paid for insurance intended to provide the worker with continuance of income in the event of illness or accident not covered by workers compensation. The payment (e.g. premium) is included whether or not the worker actually lodges a claim against the policy. Excluded are any proceeds of an insurance claim.

School or education expenses for children, spouse or dependents of workers

Payments made to or for the benefit of a worker to cover any fees or expenses of providing education or tuition at a university, TAFE or technical college, or any sporting, religious, commercial, private or state school not for the trade or business of the employer.

Service Increments

Payments to a worker based upon the length of service with the employer (e.g. annual increments in salary or wages). The length of service may be counted retrospectively where 'carry over' arrangements exist, e.g. State Public Service.

Severance pay

Any payment as a consequence of cessation of the worker's employment because of redundancy. The payment may be made in conjunction with other termination payments. From 1 July 1992 severance payments are excluded.

Sick pay

The payment of normal salary or wages to a worker to cover any period the worker was absent from work due to accident/illness.

Site allowance

An amount paid to provide for work having to be performed at a particular location e.g. mining camp, overseas, another office or factory, or any distant, dangerous or inconvenient location. The allowance is included whether or not it is actually spent by the worker.

Skill allowance

An amount paid in recognition of any skill brought to the job or any special aptitude displayed, e.g. the command of another language useful to the job, the ability to drive a forklift or operate a crane.

Standby or on call allowance

An amount paid for being prepared to work, upon request, outside usual working hours, or remaining near a telephone or pager to receive any such request. This may be in addition to any overtime paid.

Study allowance

An amount paid as an incentive to study, or to cover the costs of any education or tuition. The allowance is included whether or not the worker has incurred any costs of study.

Superannuation contributions

Any payment including a premium or lump sum paid to a superannuation fund or retirement annuity plan for the benefit of a worker. Includes employer contributions under the Superannuation Guarantee legislation, employer contributions under an award,

additional employer contributions and employer contributions forming part of a worker's salary sacrifice arrangement.

Supplementary payments

Any payment or allowance made to or for the benefit of, a worker in addition to the worker's usual salary or wages.

Telephone allowance

An amount paid to meet the cost of a telephone connected to the worker's residence or to compensate the worker for use of the telephone for the employer's business. Excluded are payments that are a reimbursement to the worker for specific expenditure.

Termination payments

An amount paid to, or for the benefit of, a worker as a consequence of cessation of the worker's employment. This term usually applies to payments of accrued salary or wages, unpaid commissions, and unused holiday pay and unused long service leave. A payment may be associated with severance/redundancy.

Excluded from 1 July 1992 is an amount paid to or for the benefit of a worker because of cessation of employment, either as termination payment or redundancy/severance pay or 'eligible termination payment' as defined in the Commonwealth *Income Tax assessment Act, 1997*.

Tool allowance

An amount paid to pay the cost of any tools, implements or instruments, which the worker may

purchase for use by the worker in the course of the worker's employment. The allowance is included whether or not the worker actually purchases any tools. Excludes the cost of tools provided by the employer

Travelling allowance

A payment made to cover the contingency of any travel costs. The allowance is included whether or not the worker actually uses it for the purpose of travel. From 1 February 1993 a travelling allowance, subject to meeting particular criteria, is to be considered as an accommodation allowance. Excludes fares for business travel paid by the employer or payments that are a reimbursement to the worker for specific expenditure.

Uniform allowance

An amount paid to enable the worker to purchase or maintain a uniform or an item of corporate clothing. The allowance is included whether or not the worker actually uses the allowance for that purpose. Excluded are payments that are a reimbursement to the worker for specific expenditure.

Wages

Payments made to a worker for work performed over a set period of time. The term is interchangeable with salary.

Workers compensation payments

Payments made as compensation by way of income maintenance (i.e. a payment in accordance with section 64(5) under the *Return to Work Act 2014*) are excluded.

Disclaimer

The information produced by ReturnToWorkSA in this publication is correct at the time of printing and is provided as general information only. In utilising general information about workplace health and safety and work injury management, the specific issues relevant to your workplace should always be considered. This publication is not intended as a substitute for the requirements of the *Return to Work Act 2014* or the *Work Health and Safety Act 2012*.