Salary and payroll guidelines

**Acknowledgement**

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We acknowledge Aboriginal and Torres Strait Islander people as Australia’s first peoples and as the Traditional Owners and custodians of the lands and waters on which we rely. We pay respect to Elders past and present of the lands where we conduct our work and recognise their ongoing contributions as the first educators on the land now known as Victoria.

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1. Overview

The salary and payroll guidelines (the guidelines) apply to all employees within the Victorian Curriculum and Assessment Authority (VCAA). For the purposes of these guidelines, the term 'employees' encompasses VCAA employees of the direct workforce, as well as any individuals or groups undertaking an activity for or on behalf of the VCAA, including:

* all employees (fixed term, casual, sessional) employed under Ministerial Order No. 1451 – Victorian Curriculum and Assessment Authority employees (Employment Conditions, Salaries, Allowances, Selection and Conduct) Order 2023 (referred to as ‘The MO’)
* Board members.

The guidelines cover all aspects of employee payments including bank account, timesheets, overpayments, superannuation, and income statements (PAYG) within eduPay.

1. Objectives

The objectives of the guidelines are:

* Ensure to clearly communicate payroll processes, including payment schedules, and any payroll-related policies to employees; ensuring that employees understand how their compensation is determined and distributed
* Establishing clear deadlines for submission of timesheets or other relevant information, processing payroll on schedule, and procedures to promptly address any payroll-related queries or issues that arise.

1. Principals
   1. Fairness and efficiency

Ensure compensation practices are fair and equitable, taking into account factors such as job responsibilities, skills, experience, and performance.

* 1. Transparency

Clearly communicating the organisation's payment practices, including how compensation is determined, and the criteria used for salary increases.

* 1. Compliance

Adhere to all applicable laws, regulations, and industry standards related to compensation, including minimum wage requirements, overtime pay regulations, and equal pay laws.

* 1. Accuracy and consistency

Ensure payment calculations are accurate and based on reliable data, including accurate recording of work hours, proper classification of employees, and timely processing of payroll. Applying payment policies consistently across the organisation to promote fairness and avoid discrimination.

1. Roles and responsibilities
   1. The employer

The responsibilities of the employer are:

* rectifying any payroll errors promptly and fairly
* contacting employees to bring to their attention any issues regarding their fortnightly pay, including the fortnight dates, and the fortnightly pay amount
* communicating any discrepancies to the employee through email
* offering new employees the opportunity to choose the superannuation fund to which they wish to direct the employer's superannuation guarantee (SG) contributions.
* communicating the details of the guidelines to employees, ensuring that the relevant terms, conditions, and procedures are understood
* monitoring employee adherence to the guidelines, ensuring that timekeeping records are accurate and that all necessary documentation is submitted on time
* approving and verifying timesheets, expense reports, or other payment-related documents submitted by employees before submission
* addressing any discrepancies or issues promptly and ensure that they are resolved in accordance with VCAA policies and procedures
* ensuring sensitive payment information, such as salary details and payroll records, is handled securely and kept confidential.
  1. Employees

Employees must:

* understand and comply with the guidelines, including the terms, conditions, and procedures related to payment, and other relevant guidelines
* ensure correct payment information has been entered into their eduPay profile
* accurately record hours of work through the eduPay timesheet and submit for approval within the specified deadlines outlined in the guidelines
* promptly report discrepancies or issues to the appropriate manager or authorised delegate for resolution
* maintain confidentiality of sensitive information related to compensation, including salary details and payroll information
* adhere to ethical standards in all aspects of payment-related activities, including honesty in reporting hours worked and expenses incurred.

1. Expectations
   1. Payment of salary

Salaries paid through eduPay can only be paid via electronic funds transfer. It is an employee's responsibility to ensure that they provide correct payment details in their eduPay portal.

Salaries will be paid into an employee's designated account each fortnight, with possible variations on public holidays (refer to pay day calendars for details). Employees also have the option to allocate salary payments across multiple accounts or institutions by specifying a net pay percentage or a predetermined dollar amount for each account.

* 1. Changing account details

Employees are able to update bank account details via eduPay using the Employee Self Service (ESS) feature at any time. When updating account details, employees are advised not to close old accounts until after the next pay period ensuring the new arrangements appear on the pay advice slip as confirmation of the update. Employees are responsible for ensuring that the payment information entered into the system is correct. However, each pay run is monitored to identify alerts to potential processing issues related to bank accounts. The VCAA may directly contact the affected employee to amend an error which is identified during the pay cycle.

* 1. Overpayments

Overpayments can occasionally occur in payroll processing errors. It is the responsibility of the VCAA to rectify any payroll errors promptly and fairly. Upon reviewing payroll records it may come to the attention of the VCAA there has been an overpayment in salary.

In the case of an overpayment, the VCAA will contact employees to bring to their attention an issue regarding their recent fortnightly pay, including the fortnight dates, and the fortnightly pay amount.

The VCAA will communicate the discrepancy with the employee through email, outlining the details of the overpayment, including:

* overpayment amount
* pay period
* reason for overpayment.

In order to rectify the overpayment, there are 2 options for employees:

1) the VCAA will deduct equal amounts from the employees next 2 pay checks.

2) employees are to pay the full amount into the listed VCAA bank account.

The VCAA understands that any deductions may pose a financial challenge for employees, impacting finances. The organisation is committed to working with employees to ensure that the process is handled smoothly with minimal disruption to financial situations. If employees require an alternative arrangement, the VCAA is able to assist and explore possible solutions to alleviate any hardships.

Employees are required to review the information provided, confirm their understanding, and select the appropriate agreement option within the following 5 business days by replying in writing to the overpayment notice email. For questions or concerns regarding the overpayment or deduction process, employees are asked to contact the VCAA Human Resources Unit on 1800 718 320.

* 1. Timesheet submission

There are several reasons why an employee’s timesheet might not be paid on time or at all. These are:

* **incomplete timesheet:** if the timesheet is missing essential information such as hours worked, breaks taken, or required approvals, it may not be processed until all necessary details are provided
* **errors in calculation:** timesheets with calculation errors, such as incorrect hours worked or miscalculated overtime, may be delayed until the discrepancies are resolved
* **missing approvals:** timesheets often require approval from supervisors or managers before they can be processed. If the necessary approvals are missing or incomplete, the timesheet may not be paid until authorisation is obtained
* **late submission:** timesheets submitted after the designated deadline may not be processed in time for the current payroll cycle, resulting in a delay in payment until the next cycle
* **violations:** if the timesheet includes violations of company policies or labor laws, such as unauthorised overtime or incorrect classification of hours, it may be withheld until the issues are addressed and resolved
* **technical issues:** sometimes, technical glitches or system errors can prevent timesheets from being processed correctly. In such cases, additional time may be required to rectify the issue before payment can be made
* **dispute or investigation:** if there is a dispute or investigation related to the timesheet, such as allegations of fraud or misconduct, payment may be withheld until the issue is resolved.

It is essential for employees to ensure that their timesheets are accurate, complete, and submitted on time to avoid delays in payment. Additionally, clear communication with managers or VCAA Human Resources can help address any issues promptly and facilitate timely payment processing.

* 1. Rejected direct credit

It is the responsibility of the employee to ensure their information for payment is up-to-date. If a financial institution rejects an employee's salary payment due to a closed account or incorrect bank details, the funds will be held until account information is updated. It may take up to 5 working days for funds to be returned to the VCAA from the banking institution. If an employee's salary is not credited to their nominated account, payroll details must be updated accordingly, and VCAA Human Resources notified to facilitate the payment.

In the instance where the rejected funds are not returned to the VCAA, it is the responsibility of the employee to follow up with their bank to make an arrangement to recoup the funds.

* 1. Rejected payment

If a financial institution rejects an employee's salary payment due to closed accounts or incorrect details, the funds will be held by the VCAA until updated account information is provided to the VCAA by the employee.

If a payment is rejected, it may take up to 4 working days for funds to be returned to the VCAA.

If an employee's salary is not credited to their nominated account, payroll details must be updated accordingly, and VCAA Human Resources notified to facilitate the payment. Email inquiries can be sent to [vcaa.hr@education.vic.gov.au](mailto:vcaa.hr@education.vic.gov.au).

* 1. Income statement

This section aims to provide clear guidelines on the accessibility of income statements and the process for replacing lost or damaged income statements. Employees are encouraged to stay informed about the outlined procedures to ensure a smooth and efficient handling of their financial documentation.

* + 1. Availability of an income statement

The income statement is exclusively accessible through an individual's myGov account. The VCAA is not equipped to generate copies of the income statement. Historical PAYG payment summaries for ongoing employees are accessible via ESS, while access to eduPay is retained as long as at least one employment instance with VCAA remains active on the payroll.

* + 1. Terminating employment

Employees terminating their employment are advised to download copies of their previous income statements before their cessation is processed on the payroll. Following cessation, income statements will only be available through an individual's myGov account. Further information is available in the VCAA termination of employment guidelines.

* + 1. Replacement of lost or damaged summaries

For historical payment summaries that require replacement due to loss or damage, employees can utilise eduPay ESS. It is important to note that PAYG information predating the 2019/20 financial year is not available in the myGov account. Generally, a printed historical PAYG payment summary is not mandatory for tax returns filed with an accountant or when using the ATO e-tax service. The ATO's MyTax program offers a ‘pre-filling’ option that automatically incorporates income statement details into the tax return, potentially eliminating the need for a historical printed copy.

* + 1. Request for replacement PAYG summary

In situations where an employee requires a replacement historical payment summary to be produced and sent, a request for replacement PAYG summary form, available on the VCAA website under ‘Forms,' must be completed. Please be aware that there is a charge associated with obtaining a replacement PAYG payment summary. It is crucial to adhere to current ATO requirements, as the PAYG payment summary cannot be transmitted via email.

* 1. Superannuation

All VCAA employees are required to be a member of a superannuation fund to which the VCAA, as an employer, must make superannuation guarantee (SG) contributions. The superannuation arrangements for an employee will generally be determined by the commencement date of their current period of employment as follows:

* a person whose employment commenced prior to 1 January 1994 is likely to be a member of a defined benefits scheme, such as the revised, new or State Employment Retirement Benefits (SERB) schemes. These superannuation schemes are administered by Emergency Services and State Super (ESSSuper).
* an employee whose current employment commenced on or after 1 January 1994 has the opportunity to nominate a complying accumulation fund of their choice for superannuation guarantee (SG) contributions.

The VCAA is required to offer eligible employees the opportunity to choose a complying superannuation fund to which they wish to direct their employer’s SG contributions. Employees are advised to obtain appropriate financial advice when considering their options in relation to choosing a fund.

An employee is required to provide their superannuation choice details, however where an employee does not provide superannuation details, the VCAA may now request the new employees stapled super fund details from ATO, then will make an attempt to 'staple' their super fund from ATO data. If no result is received enrolment will be directed to the default super product - Aware Super Future Saver with Aware Super Pty Ltd.

* + 1. ESSSuper defined benefit funds acc

Employees enrolled in Emergency Services and State Super (ESSSuper) defined benefit funds are directed to contact ESSSuper for comprehensive information related to their specific fund, entitlements, and any inquiries they may have.

* + 1. Accumulation fund members

For employees who are members of accumulation funds, it is advised to communicate directly with their respective superannuation fund to obtain detailed information tailored to their specific plan and circumstances.

* + 1. Salary sacrificing to superannuation

Employees have the option to boost their superannuation by participating in salary sacrificing. Detailed terms and conditions for these arrangements can be obtained by directly contacting the superannuation fund to which the employee belongs. All employees are mandated to utilise the VCAA's designated salary packaging provider, ClickSuper, for these transactions.

* + 1. Employee contributions on leave without pay

ESSSuper members planning to take leave without pay are strongly encouraged to seek advice directly from their fund to understand the implications on their contributions and overall superannuation.

Members of accumulation funds, such as Aware Super Future Saver, are advised to proactively contact their fund before proceeding on leave without pay. This ensures clarity on the necessary actions, if any, that need to be taken regarding their contributions during the leave period.

* + 1. Cessation of employment

Upon an employee's cessation of employment, ESSSuper is automatically notified electronically based on details recorded on the payroll. However, it is the responsibility of the employee to initiate contact with ESSSuper to facilitate appropriate arrangements concerning their superannuation entitlements. In cases where cessation is retrospectively recorded, ESSSuper may not be automatically advised, and manual cessation information may be required upon request by the fund.

* + 1. New employees with previous ESSSuper membership

New employees who were members of an ESSSuper scheme immediately prior to joining the VCAA may retain their membership if there is no break in employment between the previous government organisation or the VCAA. However, if a person is re-employed with a break in service of one working day or longer, their membership of the scheme will be terminated. Decisions regarding fund membership in such circumstances are made by ESSSuper.

* + 1. New employees and choice of fund

The VCAA, as an employer, is obligated to offer new employees the opportunity to choose the superannuation fund to which they wish to direct the employer's superannuation guarantee (SG) contributions. Superannuation entries are recorded by employees directly on eduPay using self-service as part of their onboarding process completed at the time of hire or rehire. Access to record superannuation details is available upon provision of login information before the actual commencement of employment.

* + 1. Self-managed superannuation funds

Employees interested in managing their own superannuation fund can set up a self-managed superannuation fund (SMSF) to which the VCAA may make superannuation guarantee (SG) payments. The process involves creating the SMSF directly on eduPay. Following an internal review, the fund is created, and the employee is enrolled in their SMSF from the next available pay period. However, employees are strongly advised to seek appropriate financial advice before recording an SMSF in eduPay.

* + 1. Compliance check for SMSFs

To ensure compliance, the VCAA checks the compliance status of SMSFs using the ATO SuperFund Lookup website. If a SMSF is identified as no longer complying, the VCAA cannot make SG payments to the fund. In these instances, an employee may be enrolled into the VCAA default fund - Aware Super - Aware Super Future Saver. Every effort is made to provide opportunities for the fund to regain compliant status before enrolment into Aware Super Future Saver occurs.

* + 1. Electronic service address (ESA) for SMSFs

As part of managing an SMSF, the ATO requires all SMSF trustees to register their fund with an ESA to receive electronic messages and payment details when employers make superannuation contributions using SuperStream. The ESA is included with the superannuation details on eduPay, enabling the payment of superannuation contributions to the SMSF. The ESA provider passes on the information to the contact details recorded for the SMSF.

* 1. Additional information

For additional information on entering or updating superannuation details, employees can refer to the VCAA website under ‘Resources for employees’.

For additional information on:

* register of SMSF messaging providers
* ATO right to superannuation
* salary packaging to superannuation

Employees should contact their financial adviser, accountant or seek advice from the ATO website.

* 1. Privacy

The VCAA collects employees personal information as part of their employment with the organisation. Employees’ personal and sensitive information is generally collected by the VCAA and disclosed and held by the VCAA as the employing body. The VCAA retains and records employee information electronically on the eduPay system, and if required, in written form which is securely stored in archives, and is only accessible by authorised delegates.

* 1. Definitions

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| --- | --- |
| Term | Definition |
| **Income statement** | The PAYG Payment Summary, formerly known as the group certificate, has been rebranded as the income statement. |
| **Stapled super fund** | A stapled super fund is an existing super account which is linked, or 'stapled', to an individual employee so that it follows them as they change jobs. |

1. Managing the guidelines
   1. Authorisation

The guidelines are issued under the authority of the Chief Executive Officer.

* 1. Accountability for the guidelines

The owner for the guidelines is VCAA Human Resources. The owner reports to the Chief Executive Officer on the management of the guidelines.

The owner is responsible for:

* development and regular review of the guidlines
* development of protocols, processes and guidelines to support implementation
* monitoring compliance of applicable employees, organisational units, and/or locations.
  1. Important dates

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| --- | --- |
| Date of adoption: | July 2024 |
| Date of last amendment: | July 2024 |
| Date of next review: | July 2026 |

1. Related documents

* VCAA termination of employment guidelines