



Guideline: Payment methods for employees and contractors/sole traders procedure

Purpose

To inform staff of payment options for ANU employees and contractors/sole traders.

Procedure

Provider for services (consultant) vs provider of a service (employee)

1. The legal requirements associated with engaging contractors are significantly different to the legal requirements arising from engaging employees. It is important that prior to entering into a relationship with an individual contractor, the ANU confirms the status of the proposed relationship, and identifies and manages the legal issues and risks arising.
2. The ANU will only engage an individual in a contract for services where there is no viable alternative provider/method of engagement.
3. It is the responsibility of the paying areas financial delegate to:
 - * confirm the status of the individual as a contractor (as opposed to an employee) and
 - * ensure that, where required by the procedure, a written contract is entered into prior to the individual performing any work for the ANU.
4. The delegate refers to the delegate authorising the purchase of services including the signing of related purchasing contract/s, within the budget unit (ie. Finance Delegation ID 220).
5. To assist in determining whether a person is a consultant or an employee see the following guide.

Summary of payment methods

ANU Employee - Payment made through Payroll (Remuneration and Conditions Branch, HRD).

Documents required	<ul style="list-style-type: none"> * Letter or contract (as applicable), detailing duties to be performed and agreed payment to be made * Position details For new employees: * TFN form (staff who fail to provide a tax file number will have tax withheld at 46.5%). * Bank details * Personal details * Superannuation forms (if applicable)
Salary Sacrificing	<p>If the staff member has a fixed-term or standard appointment and has made prior arrangement to salary sacrifice any additional payments (using Form HR42 - Authority to Pay Lump Sum Payment to UniSuper Before Tax), these payments may be paid directly into their superannuation fund as a pre-tax deduction</p>
On-costs:	<ul style="list-style-type: none"> * Superannuation * Workers compensation * Payroll tax * Annual leave loading (if not casual) * LSL levy (if not casual) * Casual - 25% loading in lieu of all leave entitlements
Further information	<p>HR Division</p>

Contractor	<p>Consultants / sole traders not to be engaged direct by the ANU unless the work they are doing is classified as 'for a result'. Exemptions to be approved by CFO.</p> <p>Alternatives are:</p> <ul style="list-style-type: none"> * engage as casual employee * engage through a labour hire firm * secondment from primary employer / institution.
Documents Required:	<ul style="list-style-type: none"> * Letter/contract detailing services to be provided and payment to be made (Contract preferred) * Certificate of currency for professional indemnity insurance to be provided * ABN form (providers without and ABN will have tax withheld at 46.5%) * Vendor/payment details * Superannuation may apply
On-costs:	Superannuation (if applicable)
Further information:	Finance and Business Services

ANU employees - methods of payment

For definitions of types of employment, see the [ANU Enterprise Agreement](#).

Grantee

Definition:	<p>Grantees are individuals who have been named in a successful application to a granting organisation. In such cases the University takes the view that the grant/grantee has been subjected to a</p>
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	<p>competitive process and no University recruitment action is required. These individuals are appointed "without" advertisement to a term of appointment determined by the period of the external funding. These appointments are normally made under the ANU Enterprise Agreement.</p> <p>This code is not to be used for ARC or NHMRC. See separate job codes for these grantees.</p>
Payment method:	Job code: GGRANT- Grantee
Documents required:	<ul style="list-style-type: none"> * Letter or contract (as applicable), detailing duties to be performed and agreed payment to be made. * Position details. * TFN form (staff who fail to provide a tax file number will have tax withheld at 46.5%). * Bank details. * Personal details. * Superannuation form (if applicable).
On-costs:	<ul style="list-style-type: none"> * Superannuation guarantee (if less than 12 months), or * 17% UniSuper (if 12 months or more) * Workers compensation. * Payroll tax. * Annual leave loading. * LSL levy. <p>Note: All on-costs should be paid by the grant so the amounts paid to the grantee should reflect this.</p>

Further information:	Research Services Office HR Division
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Casual/sessional academic - lump sum payments

Note: This is in addition to, and does not replace, the standard method of employing casual academics.

Definition:	A staff member employed to undertake adhoc academic duties on a casual basis (see Schedule S2.12 - Other required Academic activity of the ANU Enterprise Agreement). Lump sum payments may be made providing the budget unit can provide evidence that the payment is equal to or more than the hourly rates as set out in the ANU Enterprise Agreement.
Example:	<p>An Academic conducting a specialist course either stand alone (if not an ANU employee), or not directly related to their standard appointment (if already an ANU employee).</p> <p>2 x specialist lectures @ \$256.94 per hour \$513.88</p> <p>2 x tutorials @ \$111.69 per hour \$223.38</p> <p>4 hours of 'other' duties at \$37.23per hour \$148.92</p> <p>Total cost of actual services if paid per hour \$886.18</p> <p>Agreed payment to be made for the course \$950.00</p> <p>(NB: rates above are based on pay rise effective from 07/07/2011).</p>
Payment method:	<ul style="list-style-type: none"> * Job code - ACSA - Casual/Sessional Academic * Earnings Code 116 - Casual/Sessional Academic Lump sum.
Documents required:	<ul style="list-style-type: none"> * Form HR13 - Casual/Sessional Academic Lump Sum Payment. * A casual/sessional academic contract detailing services to be performed, and the agreed payment to be made.

On-costs:	<ul style="list-style-type: none"> * Superannuation guarantee. * Workers Compensation. * Payroll tax.
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Casual general staff - lump sum payments

Note: This is in addition to, and does not replace the standard method of employing casual general staff on timesheets.

Definition:	<p>A staff member employed to undertake adhoc general duties on a casual basis.</p> <p>Lump sum payments may be made providing the budget unit can provide evidence that the lump sum payment is equal to or more than the hourly rates as set out for general staff in the ANU Enterprise Agreement.</p>
Example:	<p>A staff member required to undertake editing at ANUO 5 level 4 hours @ \$31.15per hour \$124.60 plus casual loading (25%) \$31.15 Total cost of actual services if paid per hour \$155.75 Agreed payment to be made \$160.00 (NB: rates above are based on pay rise effective from 07/07/2011)</p>
Payment method:	<ul style="list-style-type: none"> * Job code: Any ANU Officer grade consistent with the duties to be performed. * Earnings code 115 - Casual General Staff Lump Sum
Documents required:	<ul style="list-style-type: none"> * Form HR12 - Casual General Staff Lump Sum Payment. * A casual contract detailing services to be performed, and the agreed payment to be made.
On-costs:	<ul style="list-style-type: none"> * Superannuation guarantee. * Workers Compensation.

	* Payroll tax.
Further information:	HR Division

6. It is recognised that there may be times when additional job codes will be required for payment to employees not covered in any of the above options. Requests will be looked at on a case-by-case basis and should be directed to the Manager, Remuneration and Conditions in the first instance.

Document information

Title	Payment methods for employees and contractors/sole traders
Document Type	Guideline
Document Number	ANUP_000813
Version	
Purpose	To inform staff of payment options for ANU employees and contractors/sole traders
Audience	Staff
Category	Administrative
Topic	Staff
Subtopic	Employment of Staff
Effective Date	20 Jul 2015
Review Date	30 Jun 2024
Responsible Officer	Chief People Officer
Approved By	Chief People Officer (director.hr@anu.edu.au)
Contact Area	People and Culture Division (cpo@anu.edu.au)
Authority	The Australian National University Enterprise Agreement 2023-2026
Printed On	11 Oct 2024

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