



Getting Paid for your Triple0 Locum Work

IMPORTANT: We strongly recommend you seek professional financial and tax advice, and consider working with an accountant to ensure you are meeting all your statutory obligations including (but not limited to) tax, superannuation, GST and insurance. Please be advised the information contained in this document is of a general nature. It does not constitute tax advice and should not be relied upon as such. If you would like to work with an Accountant who understands our business, please contact Triple0's Finance & Administration Manager who will be able to recommend an Accountant in Australia and New Zealand.

NOTE: We have included some Q & A at the end of this document. These should answer most, if not all your questions.

WHEN DO I GET PAID?

-) Triple0 makes fortnightly payments on a Friday evening for the previous two weeks' locums. Triple0 will create a Buyer Created Tax Invoice for you on your behalf and pay you directly. If you wish to provide your own invoice, this can be sent to Triple0 for payment – **please do not send it to the hospital**
-) If you are working in NSW, Australia, you will be paid directly from the hospital you're working at, and will be paid according to their pay structure.

WORKING IN NEW ZEALAND

For all locum work in New Zealand you will be working as an independent contractor which means you are running your own business - either as a Sole Trader or through your own Legal Entity Company or Trust.

What you need to do to be paid for your Locum work in NZ

1. Sign and return our Terms of Assignment
2. Complete, sign and return the Triple0 NZ Locum Financial Form

3. Complete, sign and return the IR330C form. Without this, you will be taxed at the No Declaration Tax Rate (currently 45%, but this may be subject to change as notified by the IRD)
 - a. **Please note:** the 'schedular payment activity number' is 19
 - b. If you wish to apply for a 0.00% tax rate, complete and **submit to the IRD**, an IR23BS form. Unfortunately, we cannot submit this on your behalf. It could be as simple as ticking box 5 on this form

Tax on your Income

-) Triple0 now have a legal requirement to deduct withholding tax from all payments made to you. This is because Recruitment Companies are classified as a Labour Hire Business, and subject to Scheduler Payment Rules.
-) You choose your own tax rate
 - a. As a Sole Trader the minimum allowed is 10%, and the maximum you would chose if you are earning over \$70,000 per annum would be 33% (IRD Income Tax Rate for 2017-2018 tax year. This is subject to change as notified by the IRD). Your end of year tax return will tidy up any under or over payments of tax during the year.
 - b. As a company you would chose the IRD Company tax rate
 - c. As a Trust you would choose the IRD Trust tax rate
-) We will issue you with a Buyer Created Tax Invoice (BCTI) that will show a summary of your work for the week including the Withholding Tax deduction, and this should be kept for your end of year tax return and forwarded onto your accountant.
-) There is a great tool on the IRD web-site that may help you decide your tax rate
<http://www.ird.govt.nz/calculators/tool-name/tools-t/tax-rate-estimation-tool-contractors.html>
-) To find out if you are required to be GST registered
<https://www.ird.govt.nz/gst/?id=201405MegaMenu>

Important Information for Non-NZ Tax Resident working in NZ

1. As a Non-NZ Tax Resident, we are required to deduct Non-Resident Withholding Tax.
2. The current rate as long as you have an IRD number is 15%, **unless** you have a current tax exemption.
3. For information about your tax obligations and entitlements, please follow the link below.
<https://www.ird.govt.nz/international/comingleaving/?id=201405MegaMenu>
You may also contact the Non-resident Contractors Team at the Inland Revenue Department on +64 4 890 3056 or nr.contractors@ird.govt.nz.
4. Payments can be made into your Australian bank account if you don't have a NZ bank account. The amount payable will be converted from NZ dollars to AUS dollars based on the exchange rate on the day of payment.

WORKING IN AUSTRALIA

For all Locum work in Australia, there are 3 ways you may be paid:

1. Via Triple0 payroll as a Contractor under a Labour Hire Agreement.
2. Via Triple0 through your own Legal Entity Company which **must** have an Australian Company ABN (Australian Business Number).
3. Directly by our hospitals in NSW, and they will deduct PAYG and pay superannuation on your behalf if applicable.

1. Via Triple0 Payroll as a Contractor under a Labour Hire Agreement

If you are being paid via Triple0 Payroll, you will be treated as a contractor under the ATO Labour Hire Agreement and we will deduct PAYG and superannuation will be paid on your behalf. Superannuation is included in your pay rate.

What you need to do to be paid:

1. Sign and return our Terms of Assignment
2. Complete and return to Triple0 the TFN Declaration form.
3. Complete and return to Triple0 the Super Choice form.
 - a. https://www.ato.gov.au/uploadedFiles/Content/SPR/downloads/SUPER17983Superannuation_standard_choice_form.pdf
 - b. If you don't have a preferred provider, Triple0's nominated provider is Sun Super, which we can set you up for you if you wish.
4. Complete and return to Triple0 the AUS Locum Financial Form. You **must** provide us with an Australian bank account for your pay to be paid into. This is because you are paid via an Australian Payroll system, which is fully automated.

For NZ Based Doctors Working in Australia as a Contractor under the Labour Hire Agreement:

If you don't have a TFN number, you can apply for it online and as long as you have applied for it (and not necessarily received it yet) we can tax you at the correct amount for **up to 28 calendar days**. If the application asks for an Australian address to send your TFN to and you don't have one, **DO NOT** use the hospital address as it may be returned. You are welcome to use ours and we will forward it on to you: **c/o Triple0 Medical Recruitment, P O Box 803, Cleveland, QLD 4163, Australia**

1. Links to apply for your TFN
 - a. If you are a New Zealand citizen going to work in Australia, you can apply for you TFN online, **once you arrive into Australia**. The ATO will link your passport to your application. <https://www.ato.gov.au/Forms/Permanent-migrants-or-temporary-visitors---online-TFN-application/>

2. Via Triple0 through your Legal Entity Company

If you are being paid via Triple0 through your Company, we will pay you the gross amount and you are responsible for meeting all your statutory obligations, including but not limited to income tax, worker's compensation, superannuation, GST.

What you need to do to be paid:

1. Sign and return our Terms of Assignment
2. Complete and return to Triple0 the AUS Locum Financial Form
3. Ensure you have supplied us with a **Company ABN Number**. Without this we are required by law to withhold tax at a rate of 49% and remit this to the ATO (however, this rate may be subject to change as notified by the ATO).
4. We will issue you with a Recipient Created Tax Invoice (RCTI) that will show a summary of your work for the week and this should be kept for your end of year tax return, and forwarded to your accountant.

For NZ Based Doctors working in Australia through a Legal Entity Company:

1. If you have a NZ Legal Entity Company, you **may** be able to register this company as a Foreign Company with the Australian Securities & Investment Commission (ASIC). If this is accepted, you then need to apply for an ABN (Australian Business Number) against this Foreign Company. Without this ABN number, we are required to withhold 49% tax [at time of print] and remit this to the ATO. .
2. We can pay company payments into a NZ bank account. The amount payable will be based on the exchange rate on the day of payment.

3. Directly by the Hospital you're working at

If you are to be paid via the hospital directly, you will be paid either via V Money or via their payroll system and they will deduct PAYG and any other statutory taxes and will pay superannuation on your behalf if applicable.

What you need to do to be paid if you are on a Hospitals payroll system:

1. Sign and return our Terms of Assignment
2. You will need to supply the hospital with your TFN or you may be taxed at a higher rate. If you have applied for your TFN (and not necessarily received it yet) the hospital should be able to tax you at the correct amount for up to 28 days calendar days
3. You will need to supply the hospital with an Australian Bank Account.
4. You will need to complete the TFN Declaration Form at the hospital when you start your locum

QUESTIONS AND ANSWERS

For NZ Doctors working in NZ:

Q. Why are Triple0 now deducting tax from me? I take care of my own taxes.

A. The IRD introduced new tax legislation which affects Labour Hire Businesses, which recruitment agencies fall into. This came into effect 1st April 2017. Triple0 are now legally obliged to deduct withholding tax from all schedular payments made to **contractors**. When you do your end of year tax return, the amount of tax you have already paid via Triple0 will be taken into account.

Q. I have a legal entity company and I pay company tax, provisional tax and GST. Are you going to still take Withholding Tax from my earnings?

A. Yes. Even if you have a legal entity company or Trust, Triple0 are still legally required to deduct withholding tax from you. When you do your end of year tax return, the amount of tax you have already paid via Triple0 will be taken into account.

Q. What happens if I've paid too much tax over a financial year?

A. At the end of your financial year, the amount of tax you have paid or need to pay will depend on your own personal circumstances. If you have overpaid tax on your earnings, you will receive a refund. If you have underpaid tax on your earnings, you will need to pay the difference. Your accountant can assist you with your end of year tax returns.

Q. Will I still need to pay tax at the end of the financial year?

A. This will depend on your own personal circumstances. But if we have deducted Withholding Tax from you during the year, an adjustment will be made from your total tax bill. Your accountant can assist you with your end of year tax returns.

Q. How much tax are you going to deduct from me?

A. You choose your own tax rate. However, it cannot be lower than 10%

- o As a company you would chose the Company tax rate
- o As a Trust you would chose the Trust tax rate
- o As a Sole Trader the maximum you would choose if you are earning over \$70,000 per annum would be 33% (IRD income Tax Rate for 2017-2018 tax year).
- o You can use the IRD estimator tool to help you decide your rate

<http://www.ird.govt.nz/calculators/tool-name/tools-t/tax-rate-estimation-tool-contractors.html>

Q. Can I change my tax rate during the year?

A. Yes. You simply complete a new IR330C form and email to accounts@triple0.com

For NZ Doctors going to work in Australia and being paid via Triple0 Payroll:

ATO – Australian Tax Office

TFN – Tax File Number

PAYG – Pay As You Go Tax

ABN – Australian Business Number

Q. Why can I no longer locum through Triple0 using my Individual ABN?

A. The Australian Tax Office now have clearly defined processes around Labour Hire Business, which as a recruitment company, Triple0 fall into. For us to stay compliant, this is now a requirement.

Q. Do I need to have a TFN (Tax File Number) to work in Australia?

A. Yes. The TFN is similar to NZ's IRD number. If you don't provide one, we will have to deduct tax at 48.5% (at time of print, but subject to change as notified by the ATO)

Q. How do I apply for a TFN?

A. You can apply for you TFN online, **once you arrive into Australia**. The ATO will link your passport to your application. <https://www.ato.gov.au/Forms/Permanent-migrants-or-temporary-visitors---online-TFN-application/>

Q. How long does it take for the ATO to process my TFN? Will I still be paid, or do I have to wait?

A. No longer than 28 days and yes, we can still pay you, and as long as you have applied for it (and not necessarily received it yet) we can tax you at the correct amount for up to 28 calendar days.

Q. Do I have to open an Australian Bank Account? Can you not deposit my pay into my NZ Bank Account?

A. Yes you do. This is because you will be on our Australian payroll system. It is easy and quick to open a bank account once you arrive into Australia, or ask your NZ bank if you can set one up before you head over there. Depending on who you bank with, this may be an option.

Q. Why do I have to have an Australian Superannuation Fund when I live in NZ?

A. It is compulsory in Australia that superannuation is paid on all earnings earned under a Labour Hire Agreement. If you don't have a fund, we can set you up with our default provider, Sun Super.

Q. I'm over 65, the current retirement age in NZ. Do I still have to have superannuation in Australia?

A. Yes. If you are paid \$450 or more (before tax) in a month, superannuation must still be paid. It doesn't matter if you are a temporary resident of Australia. <https://www.ato.gov.au/Super/Self-managed-super-funds/Contributions-and-rollovers/Contributions-you-can-accept/>

Q. What happens to my Super Contributions that are paid? How do I get that money back?

A. It cannot be paid out to you in Australia, but it can be transferred to a NZ Complying Fund, like KiwiSaver. Your Accountant will be able to manage this for you.

Q. What is PAYG and why are you deducting it?

A. PAYG stands for Pay as You Go tax. It's the same principal as NZ's PAYE. It is compulsory for us to deduct this from you when you work as a Contractor under the Labour Hire Arrangement.

Q. How much tax will be deducted from my payment?

A. You'll need to visit the ATO web-site for current rates. Just like NZ, they can change each financial year. <https://www.ato.gov.au/Rates/Tax-tables/>

However, we suggest you use the tax withheld calculator link below, which is more accurate.

<https://www.ato.gov.au/Calculators-and-tools/Tax-withheld-calculator/Individual-Non-business-Calculator.aspx>

When you come to fill this form out, select the following options:

Is the Payee an Australian Resident	NO
Has the Payee claimed the Tax Fee Threshold	NO
Payee claiming Exemption from the Medicare Levy	FULL

You will be paid fortnightly

Q. So, do I end up paying tax twice? Can I claim the PAYG back here in NZ?

A. No you won't pay tax twice. You will need to lodge an Australian Tax Return at the end of their financial year, 30th June. You will also need to include this Australian income in your NZ tax return at the end our financial year, 31st March. A tax credit will be provided in your NZ return for the tax paid in Australia. This is because NZ and Australia have a Double Tax Agreement (DTA), so you don't pay tax twice. Your Accountant will be able to take care of all of this for you.

For NZ Doctors going to work in Australia who have a NZ Legal Entity Company:

Q. I have a NZ Legal Entity Company / Trust. Can I invoice my services to Triple0 through this company and you pay my NZ Company?

A. This will depend. As the work was performed in Australia and not in NZ, the income needs to go through an Australian entity. You may be able to register this company as a Foreign Company with the Australian Securities & Investment Commission (ASIC). This can be a difficult, lengthy process, so we strongly advise speaking to an accountant. If you can set up a Foreign Company, you then need to apply for an Australian Business Number (ABN) against this Foreign Company. Without this ABN number, we are required to withhold 49% tax [at time of print but subject to change as notified by the ATO] and remit this to the ATO.

NOTE: If you are not able to set up a Foreign Company, or do not set up an Australian Company, then you will need to be paid via Triple0 Australian Payroll.

For Australian Doctors working in Australia:

Q. Why can I know longer locum through Triple0 using my Individual ABN?

A. The Australian Tax Office now have clearly defined processes around Labour Hire Business, which as a recruitment company, Triple0 fall into. For us to stay compliant, this is now a requirement.

Q. I have an ACN number. Can I work using this?

A. Yes, but only if your company has company ABN number.

Q. What is the difference between an ACN and ABN?

A. An ACN (Australian Company Number) is issued by the ASIC (Australian Securities and Investments Commission) to all new companies registered in Australia to facilitate the monitoring of those companies and also to give them a unique identity code.

An ABN (Australian Business Number) is a unique number issued by the ATO (Australian Taxation Office) to all entities that are in business. If an entity is trading as a business, no matter how large or small, they must apply to the ATO to acquire an ABN and must show that ABN on any invoices they issue.

Q. How do I set up a company, how long does it take and how much does it cost?

A. We recommend you speak to an accountant about the best business structure for you, considering all your circumstances. It should take an accountant approx. 24 – 48 hours to set up and register a company once they have all the relevant information. The cost quoted to us by an Australian Accountant we can recommend is approx. \$1000 (as at May 2016).

For Australian Doctors working in NZ:

Q. Do I have to open a NZ Bank Account?

A. No. If you don't have a NZ bank account and don't wish to open one, we can pay into an Australian bank account. This is because you are not paid through a payroll system. We will convert the amount payable into Australian dollars based on the exchange rate on the day of payment.

Q. Do I have to have a NZ IRD Number (Inland Revenue Department)?

A. Yes. The IRD Number is similar to Australia's TFN number. If you don't provide one, we will be required to deduct tax at a rate of 45% (at the time of print, but subject to change as notified by the IRD)

Q. Do I have to pay tax on my earnings?

A. Yes and as long as you have an IRD Number, the rate of tax we deduct is 15% (at time of print, but subject to change as notified by the IRD). However, you may be eligible for a tax exemption. We strongly advise you to discuss this with the Non-Resident Contractors Team at the IRD on +64 4 890 3056 or nr.contractors@ird.govt.nz