

Payroll tax change preparations

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Recent developments in payroll tax law means some practices may need to change how they prepare for and manage their potential payroll tax liability. It is recommended that practices seek specialised legal advice on their potential payroll tax exposure, their contracts with independent contractor doctors, their practice documentation, billing and payment arrangements.

This guide provides an overview of the updates that may be required for these payroll tax changes in affected practices. We recommend having a go-live day for all the updates and workflows to take effect - otherwise, it will be difficult to identify where funds are going and who payments are for.

Doctor's preparations

There will be a lot of paperwork for each doctor to complete in the lead-up to the payroll tax changes. We recommend allowing at least 3 weeks and, if you have many practitioners, using a spreadsheet to check off the completion of each practitioner's requirements.

Practitioners may need:

- Updated contracts/agreements.
- An ABN and registration for GST (entered into Zedmed and provided to POS/Tyro).
- A bank account - ideally just for payments from the practice.
- An ID for your POS system (e.g. a Merchant ID for Tyro).
- A PRODA account updated with the practitioner's bank account in the Medicare section only.
- Complete and submit individual vendor forms for Third Party/Workcover and TAC payments.
- Set up for Online Payment systems like HotDocs.
- Any requirements for invoicing the doctor for practice expenses.

For Tyro, work with the vendor to ensure you understand the requirements including timeframes, paperwork, information required, admin staff setup changes, credit card surcharge adjustments for each new account and the go-live day terminal reboot process to finalise the changes.

Task list

1) Add the practitioners' bank accounts

In Zedmed's **Practice > Bank Accounts** tab, add the bank account (**Add New**) for each doctor - completing all fields that apply.

2) Add practitioners to Tyro

If the doctor has a **Tyro Merchant ID**, call Tyro and have them add each practitioner and set them up for your Tyro Terminals.

3) Update the practitioners' bank details and ABN

In the **Doctors Details**, change the Bank List field to display the practitioner's Bank Account and enter their ABN.

4) Remove each the default Bank Account for each branch

In each **Branches > Options** page, delete any entry in the **Default Bank Account** field, so the field is empty.

5) Add a custom invoice for each practitioner

Follow the **Custom Invoice** guide to plan and update each practitioner's invoice with their own information and remittance advice.

6) Develop and train staff in the updated billing workflow

Review the entire billing workflow to ensure it captures each doctor's invoice and Bank Account across all payment types.

7) Develop and train staff in the updated banking workflow

When doing your **Banking /Sessions**, you will need to close each practitioner's batch by selecting each practitioner's bank account for the BankList. If you use Tryo, you will need to generate the Tyro Report for each doctor.

8) Testing and training

Please double-check these changes and that they are applied to all relevant practitioners. Please call Zedmed support if you have any questions and ensure the practice team is ready for the changeover before you go live with the updated billing and banking.
