

Subcontractor's Statement

OPT 011 07-07

Regarding Workers Compensation, Payroll Tax and Remuneration (Note 1)

Workers Compensation

Section 175B *Workers Compensation Act 1987*

Payroll tax

Schedule 2 Part 5 *Payroll Tax Act 2007*

Remuneration

Sections 127, 127A *Industrial Relations Act 1996*

Subcontractor: _____ ABN: _____
(Business name)

of _____
(Address of subcontractor)

has entered into a contract with _____ (Note 2)
(Business name of principal contractor)

ABN: _____ For work between: ____/____/____ and ____/____/____ (Note 3)
Date Date

and/or Payment Claim Details: _____ (Note 4)

Nature of contract work: _____ (Note 5)

Declaration

I, _____ a Director of / a person
authorised by the subcontractor on whose behalf this declaration is made, hereby state that the abovementioned
subcontractor is either:

A sole trader or partnership without workers or subcontractors (Note 6).

OR

Has and will maintain in force valid workers compensation insurance, policy _____ (Policy number)
held with _____ as indicated on the attached Certificate of
(Insurance company)

Currency dated ____/____/____, in respect of work done in connection with the contract, during
any period of the contract and has paid all workers compensation insurance premiums payable in
connection with the contract (Note 7).

Is Is not also a principal contractor in connection with the work under contract (Note 8).

Has Has not been given a written statement by subcontractors in connection with the work.

Is Is not required to be registered as an employer under the *Payroll Tax Act 2007* _____ (Payroll tax client no.)

Has paid all payroll tax due in respect of employees who performed the work for the principal contractor, as
required at the date of this statement (Note 9).

Has paid all remuneration payable to relevant employees, for work done under the contract at the date of this
statement (Note 10).

Signature _____

Full name _____

Position/Title _____

Dated ____/____/____ (Please print)

WARNING

- Any subcontractor, who knowingly provides a principal contractor with a written statement that is false, is guilty of an offence (Maximum penalty 100 units or \$11 000).
- Any written statement will not relieve the principal contractor of liability if, at the time the written statement was provided, the principal contractor believed the written statement to be false.
- The principal contractor must retain a copy of any written statement for a period of not less than five years (Payroll tax), six years (Remuneration) or seven years (Workers compensation).
- **This statement must be accompanied by the relevant Certificate of Currency to comply with section 175B of the *Workers Compensation Act 1987***

NOTES

1. This form is prepared for the purpose of section 175B of the *Workers Compensation Act 1987*, Schedule 2 Part 5 of the *Payroll Tax Act 2007* and section 127 of the *Industrial Relations Act 1996*. If this form is completed in accordance with these provisions, a principal contractor is relieved of liability for workers compensation premiums, payroll tax and remuneration payable by the subcontractor.
2. For the purpose of this statement, a principal contractor is a person (or other legal entity), who has entered into a contract with another person (or other legal entity), referred to as the subcontractor, and employees/workers of that subcontractor will perform the work under contract. The work must be connected to the business undertaking of the principal.
3. In order to meet the requirements of s127 *Industrial Relations Act 1996*, a statement in relation to remuneration must state the period to which the statement relates.

Section 127(6) *Industrial Relations Act 1996* defines remuneration as '*remuneration or other amounts payable to relevant employees by legislation, or under an industrial instrument, in connection with work done by the employees.*'

Section 127(11) of the *Industrial Relations Act 1996* states '*to avoid doubt, this section extends to a principal contractor who is the owner or occupier of a building for the carrying out of work in connection with the building so long as the building is owned or occupied by the principal contractor in connection with a business undertaking of the principal contractor.*'

4. Payment claim details – Where a subcontractor has entered into a payment schedule with a principal contractor they must identify the period or payment to which the statement applies.
5. An accurate description of the work covered by the contract must be included.
6. In completing the statement, a subcontractor declares that they are a sole trader or partnership without workers or subcontractors and is not required to hold workers compensation insurance.
7. In completing the statement, a subcontractor declares that workers compensation premiums payable up to and including the date(s) on the statement have been paid, and all premiums owing during the term of the contract will be paid.
8. It is important to note that a business could be both a subcontractor and a principal contractor, if a business 'in turn' engages subcontractors to carry out work. If your business falls within this category you should also obtain statements from your subcontractors.
9. In completing the statement, a subcontractor declares that all payroll tax payable relating to work undertaken as part of the contract has been paid.
10. In completing the statement, a subcontractor declares that all remuneration payable has been paid.

It is noted that definitions of employer, employee, remuneration, and specific provisions for employers of outworkers in the clothing trades are as defined in s127A of the *Industrial Relations Act 1996*.

11. Failure to complete this statement may result in the principal contractor withholding any payment due to the subcontractor. Any penalty for late payment under the contract does not apply to any payment withheld under this subsection. Subcontractors may wish to keep a copy of the statement for their own records.

For more information, please visit the WorkCover website www.workcover.nsw.gov.au, Office of State Revenue website www.osr.nsw.gov.au, or Office of Industrial Relations, Department of Commerce website www.commerce.nsw.gov.au. Copies of the *Workers Compensation Act 1987*, the *Payroll Tax Act 2007* and the *Industrial Relations Act 1996* can be found at www.legislation.nsw.gov.au.