

# Guide for Football Player Match Payments



Our core purpose is  
**“HELPING CLIENTS ACHIEVE FINANCIAL SECURITY”**

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Player remuneration has quickly become a hot topic amongst football clubs across Victoria. The expectations and obligations of country football players have grown substantially and concurrently so has the size of their player payments. This has placed greater emphasis on football clubs and their players to ensure that these payments are being treated correctly for taxation purposes. This guide is available to assist clubs and players with understanding their obligations.

Player payments can be treated in one of two ways, each is explained below:

## AS EMPLOYEES

Players will be deemed to be employees if they are utilising their skills in a systematic, regular and/or organised manner with a view to obtaining assessable income. The amount, which a player gets paid per week, is a factor in determining whether they are a player or not. If they are receiving amounts in the hundreds of dollars per week they should be treated as employees.

Should any of your player payments be treated as wages there are a number of obligations that the club needs to complete including:

- Registering for PAYG withholding with the ATO
- Withholding tax from player payments based on their payment amount
- Preparing quarterly Business Activity Statements (BAS) outlining the amount of tax withheld from players and forwarding this amount to the ATO
- Preparing PAYG summaries for each player paid at the end of each financial year
- Submitting an annual report to the ATO outlining the total amount of PAYG withheld during the financial year



If you need any assistance in meeting these obligations please contact our office and we can help you through the processes.

## AS A RECREATION OR HOBBY

A player is seen to be playing in pursuit of recreation or hobby if payments to them are:

- Of a non-commercial nature;
- Generally not intended to cover expenses; and
- Are not relied on for regular living costs.

A player must supply their club with a ‘Statement by a supplier’ form from the ATO, which removes the requirement for the club to withhold tax from their payments. This form states that their services are being provided in pursuit of a recreational activity or hobby and not for a commercial purpose.

This method should only be used when a player is not earning in the hundreds of dollars on a weekly basis as it may be difficult to argue in the courts that the players are receiving payments whilst in the pursuit of a recreational activity or hobby.

If the club intends to rely on the statement by a supplier we would recommend documenting the reasons behind this decision for each player.

## SUPERANNUATION REQUIREMENTS

Where the first method for paying players is used clubs will be required to pay superannuation to all eligible players.

A player is eligible for the superannuation guarantee if they receive in excess of \$450 (before tax) in wages in a calendar month.

Super is paid at a rate of 9.5% minimum on top of a player’s normal payment.

Superannuation must be paid to each player before the quarterly due dates. We recommend that each club use an accounting package, such as Xero, to assist them in tracking the amount of superannuation owing to each player and that payments are made accurately and on time.

## ALLOWANCES CLUBS CAN PAY TO PLAYERS

Should a player’s payments be deemed wages then there are a number of allowances that could be available for clubs to pay their players. These allowances can include:

- Car Allowance – based on the kilometres travelled to and from games and training
- Uniform/Equipment Allowance – involves covering the costs of football shorts, socks, boots etc.

These allowances need to be considered on a player by player basis and need to form part of the player’s remuneration package.

IMPORTANT DISCLAIMER: This document does not constitute advice. Clients should not act solely on the basis of the material contained in this document. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly and we therefore recommend that our formal advice be sought before acting in any of these areas. This document is issued as a helpful guide to clients and for their private information.





## Are You Financially Secure?

At Mulcahy & Co we are in a unique position to provide the expert advice and solutions of accounting, financial planning, lending, legal and information technology all under the one roof. This makes a normally complicated process seamless to help you on your way to becoming financially secure.

### WHAT DOES BEING FINANCIALLY SECURE MEAN?

It means assessing your personal and business goals and developing a plan to achieve them.

1. Goals & objectives
2. Estate plan
3. Risk plan
4. Asset protection plan
5. Taxation plan
6. Debt plan
7. Retirement plan
8. Business plan
9. Superannuation plan
10. Investment plan

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### TAX DEDUCTIONS AVAILABLE TO PLAYERS

Players have access to a number of deductions, which can be claimed against the income they earn from playing football. Below are a number of examples that may be available:

- Apparel or equipment
- Membership costs
- Entrance fees and travel to away games
- Direct training costs e.g. gym and pool entry fees
- Vitamins and dietary supplements
- Car expenses
- Any other football related costs

Players should keep records and receipts of all their expenditure, which is directly related to them earning their player payments.

### INSURANCE AND WORK COVER

As part of the player's registration with the WorkSafe VCFL, players are covered for Personal & Accident cover under the National Risk Protection Programme by JLT Sport.

This provides clubs with a minimum of silver level of cover. The option is there for clubs to upgrade this level of cover themselves to either gold or platinum. Please note that some football leagues are in agreement with other insurance providers and do not participate with the above program. Please contact your league for further details on your insurance cover.

Details on the levels of insurance are accessible on JLT Sport's website (<https://afl.jltsport.com.au/community.aspx>).

We also recommend that Clubs should contact an insurance broker for further information on work cover for its players. Work cover provides clubs with insurance cover for the cost of benefits if your players are injured or become ill as a result of playing football.

If your club would like assistance with any aspect of player remuneration please don't hesitate to contact our office. We can also provide advice and assistance to any player or coach in regards to their personal taxation requirements and how their football related remuneration will affect them.

**We offer a free no obligation meeting to review your situation. Call us today on 03 5330 7200 and take advantage of this valuable offer.**

### DISCLAIMER

The information above is general advice only and should not be taken as taxation advice. The above has been prepared without accounting for your specific circumstances and situation. If seek professional tax advice how the above information applies to your individual situation and circumstance please don't hesitate to contact our office on (03) 5330 7200.

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