

14 September 2009

## Salary changes for subclass 457 visa holders

Legislation changes affecting the subclass 457 visa will come into force on 14 September 2009. One of the most substantial changes is the salary that must be paid to a sponsored worker.

Currently a sponsored worker must be paid at least the gazetted Minimum Salary Level (“MSL”) which is currently \$45,220 for workers outside the information technology industry.

On 14 September 2009 the MSL is being replaced with the Temporary Skilled Migration Income Threshold (“TSMIT”). While the TSMIT will remain at \$45,220, employers will be required to pay their sponsored workers at the same market rate as an Australian working in the same position.

Subclass 457 visa holders must be paid at least the TSMIT even in circumstances where the market rate may be well below this amount. The Department of Immigration and Citizenship (“DIAC”) has indicated that it is unlikely to approve new applications in circumstances where the market rate is below the TSMIT, even if the sponsor nominates to pay a higher amount.

These changes directly affect both new applications and existing subclass 457 visa holders and sponsors.

Sponsors who currently employ subclass 457 visa holders have until 1 January 2010 to pay these workers in accordance with the market rate of pay. DIAC will conduct business monitoring and liaise with the Australian Taxation Office to ensure that this occurs.

Where a subclass 457 visa holder works in an occupation where the market rate of pay is less than the TSMIT, the sponsor must pay that worker at least the TSMIT amount until that visa expires or a new visa is granted.

Employers found in breach of their obligations may be fined up to \$33,000 or have their sponsorship approval cancelled.

Please contact Rebecca Macmillan, Migration Agent (0746730) on (07) 3292 9704 or [rmacmillan@macrossans.com.au](mailto:rmacmillan@macrossans.com.au) if you have any questions.

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