

## Visiting Medical Officer Taxation & Superannuation Administration

**Summary** The purpose of this bulletin is to inform Health Services of the taxation and superannuation administration requirements in relation to Visiting Medical Officer (VMO) contracts.

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**Applies to** Local Health Districts, Specialty Network Governed Statutory Health Corporations

**Distributed to** Public Health System, NSW Ambulance Service, Ministry of Health

**Audience** Administration and Clinical

## VISITING MEDICAL OFFICER TAXATION AND SUPERANNUATION ADMINISTRATION

### PURPOSE

The purpose of this bulletin is to inform Health Services of the taxation and superannuation administration requirements in relation to Visiting Medical Officer (VMO) contracts.

### KEY INFORMATION

There are two types of standard VMO contracts (i) fee-for-service contracts; and (ii) sessional contracts.

A sessional contract is one in which a VMO is contracted on a regular hourly basis, and fee for service contract is one in which the VMO is paid a fee for each service.

There are six model VMO contracts:

1. [Model sessional service contract](#)
2. [Model sessional service contract - practice company](#)
3. [Model fee-for-service service contract](#)
4. [Model fee-for-service service contract - practice company](#)
5. [Fee-For-Service VMO Practice Company - Rural Doctors Package Hospitals](#)
6. [Fee-For-Service - Rural Doctors Package Hospitals](#)

#### ABN and Recipient Created Tax Invoices

- Under Division 184 of the *Goods and Services Tax Act 1999* (the GST Act) a person can act in a number of capacities and each is considered a separate entity for Australian Business Number (ABN) purposes.
- Health Services are required to check the ABN and GST registration of VMOs to ensure compliance with the GST Act in relation to the issue of recipient created tax invoices (RCTI) and RCTI Agreements. It is important that ABN details identify the contracted party (the supplier). The Australian Business Register can be found at [www.abr.gov.au](http://www.abr.gov.au)
- Where a VMO contracts as an individual e.g. Dr P Smith the ABN should identify the individual (sole trader) e.g. Dr P Smith.
- Where a VMO chooses to use a Sole Practice Company the ABN should identify the sole practice company e.g. Dr P Smith Pty Ltd.

#### ABN Withholding

- ABN withholding tax applies where the VMO has not quoted an ABN. The rate of withholding is 46.5%.

## Superannuation

In accordance with the *Superannuation Guarantee Administration Act 1992*, a person who works under a contract that is wholly or principally for the labour of the person is deemed an employee under an extended definition for purposes of the Act.

- Where a VMO enters into a sessional contract in their individual capacity, 9% superannuation must be paid into their nominated complying superannuation fund.
- Where a VMO enters into a fee-for-service contract or chooses to contract as a sole practice company no superannuation is paid.
- Where an individual performs work for another party through an entity such as a company, there is no employer-employee relationship between the individual and the other party for the purposes of the SGAA, either at common law or under the extended definition of employee. This is because the company (not the individual) has entered into an agreement rather than the individual.

## VMO Payments

- VMO payments should be made into the bank account of the VMO's choice. There is no requirement for the bank account to be in the name of the contracted party.

## **ATTACHMENTS**

1. VMO – V Money set up forms (Sessional and Fee-for-Service)

**HSS BANNER**

**VISITING MEDICAL OFFICER (SESSIONAL) INPUT FORM**

New  Amend  Oracle Vendor No (HSS use only):.....

**VMO to Complete:**

**PART (A) PERSONAL AND PROFESSIONAL DETAILS**

<b>SURNAME</b>		<b>GIVEN NAMES</b>	
<b>MAILING ADDRESS</b>		<b>HOME ADDRESS</b>	
<b>MEDICAL REGISTRATION NO.</b>		<b>DATE OF BIRTH</b>	
<b>CONTACT FOR PAYMENT INFORMATION</b>	HOME	<b>WORK</b>	
	MOBILE	<b>FAX NUMBER</b>	
<b>EMAIL ADDRESS</b>			

**PART (B) BANK DETAILS**

<b>BANK ACCOUNT</b>	<b>BSB</b>		<b>ACCOUNT NO</b>	
	<b>ACCOUNT NAME:</b>			
	<b>BRANCH</b>			

**PART (C) TRADING DETAILS**

INDIVIDUAL/SOLE TRADER (PART D) OR  
 COMPANY / SOLE DIRECTOR (PART E)

**PART (D) INDIVIDUAL/SOLE TRADER**

**AUSTRALIAN BUSINESS NUMBER**  
PLEASE NOTE: ABN NAME MUST IDENTIFY THE INDIVIDUAL AS A SOLE TRADER AND MATCH THE NAME AS PROVIDED IN PART (A) EG. DR P SMITH

(Please attach copy of ABN Details see [www.abr.gov.au](http://www.abr.gov.au))

THE NAME OF THE INDIVIDUAL AND ABN WILL APPEAR ON YOUR REMITTANCE ADVICE AND RECIPIENT CREATED TAX INVOICE

**REGISTERED FOR GST (tick box)**  
 YES  
 NO:

**SUPERANNUATION\* DETAILS (INDIVIDUAL/SOLE TRADER)**

<b>Superannuation/ Deduction Fund</b>			
<b>Membership/Policy No.</b>		<b>ABN:</b>	
<b>Address</b>			
<b>Bank Account Details</b>	<b>BSB</b>		<b>Account No.</b>
	<b>Branch</b>		
	<b>Account Name</b>		
<b>Contact Number</b>			

**PART (E) SOLE PRACTICE COMPANY**

**REGISTERED NAME PRACTICE COMPANY NAME** (will appear on your remittance advice)

**AUSTRALIAN BUSINESS NUMBER**  
PLEASE NOTE: ABN NAME MUST IDENTIFY THE SOLE PRACTICE COMPANY AND MATCH THE NAME PROVIDED IN PART (A) ABOVE EG. DR P SMITH PTY LTD

(Please attach copy of ABN Details see [www.abr.gov.au](http://www.abr.gov.au))

THE NAME OF THE SOLE PRACTICE COMPANY AND ABN WILL APPEAR ON YOUR REMITTANCE ADVICE AND RECIPIENT CREATED TAX INVOICE

**REGISTERED FOR GST (tick box)**  
 YES  
 NO:

VMO Signature ..... Date .....

**Facility Medical Administration to complete:**

<b>LOCAL HEALTH DISTRICT :</b>			
<b>APPOINTMENT DATE:</b>		<b>TERMINATION DATE:</b>	
<b>TYPE OF CONTRACT (Sessional, Fee For Service, Rural)</b>			<b>ANNUAL CONTRACTED HOURS:</b>
<b>SPECIALTY</b>			
<b>CLASSIFICATION (Please tick box)</b>			
<input type="checkbox"/>	A- Specialist Non Surgeon – Senior	<input type="checkbox"/>	E – General Practitioner < 5 years
<input type="checkbox"/>	B – Specialist Non Surgeon	<input type="checkbox"/>	D – General Practitioner > 5 years
<input type="checkbox"/>	F – Specialist Surgeon – Senior	<input type="checkbox"/>	Radiologist
<input type="checkbox"/>	G – Specialist Surgeon	<input type="checkbox"/>	Dental
<b>COST CENTRE</b>		<b>Live within 50km of Facility Y/N</b>	

**Approved Medical Administration .....****Date .....**

**HSS BANNER**

**VISITING MEDICAL OFFICER (FEE FOR SERVICE) INPUT FORM**

New  Amend  Oracle Vendor No (HSS use only):.....

**VMO to Complete:**

**PART (A) PERSONAL AND PROFESSIONAL DETAILS**

<b>SURNAME</b>		<b>GIVEN NAMES</b>	
<b>MAILING ADDRESS</b>		<b>HOME ADDRESS</b>	
<b>MEDICAL REGISTRATION NO.</b>		<b>DATE OF BIRTH</b>	
<b>CONTACT FOR PAYMENT INFORMATION</b>		<b>HOME</b>	<b>WORK</b>
		<b>MOBILE</b>	<b>FAX NUMBER</b>
<b>EMAIL ADDRESS</b>			
<b>PART (B) BANK DETAILS</b>			
<b>BANK ACCOUNT</b>		<b>BSB</b>	<b>ACCOUNT NO</b>
		<b>ACCOUNT NAME:</b>	
		<b>BRANCH</b>	
<b>PART (C) TRADING DETAILS</b>		<input type="checkbox"/> <b>INDIVIDUAL/SOLE TRADER (PART D) OR</b> <input type="checkbox"/> <b>COMPANY / SOLE DIRECTOR (PART E)</b>	
<b>PART (D) INDIVIDUAL/SOLE TRADER</b>			
<b>AUSTRALIAN BUSINESS NUMBER</b>		_____ (Please attach copy of ABN Details see <a href="http://www.abr.gov.au">www.abr.gov.au</a> )	
<b>REGISTERED FOR GST (tick box)</b>		<input type="checkbox"/> <b>YES</b> <input type="checkbox"/> <b>NO:</b>	
<b>PART (E) SOLE PRACTICE COMPANY</b>			
<b>REGISTERED NAME PRACTICE COMPANY NAME</b>		(will appear on your remittance advice)	
<b>AUSTRALIAN BUSINESS NUMBER</b>		_____ (Please attach copy of ABN Details see <a href="http://www.abr.gov.au">www.abr.gov.au</a> )	
<b>REGISTERED FOR GST (tick box)</b>		<input type="checkbox"/> <b>YES</b> <input type="checkbox"/> <b>NO:</b>	

**VMO Signature .....** **Date .....**

**\*Note Superannuation does not apply to Fee for Service Contracts**

**Facility Medical Administration to complete:**

<b>LOCAL HEALTH DISTRICT :</b>			
<b>APPOINTMENT DATE:</b>		<b>TERMINATION DATE:</b>	
<b>TYPE OF CONTRACT (Sessional, Fee For Service, Rural)</b>		<b>ANNUAL CONTRACTED HOURS:</b>	
<b>SPECIALTY</b>			
<b>CLASSIFICATION (Please tick box)</b>			
<input type="checkbox"/>	A- Specialist Non Surgeon – Senior	<input type="checkbox"/>	E – General Practitioner < 5 years
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<input type="checkbox"/>	F – Specialist Surgeon – Senior	<input type="checkbox"/>	Radiologist
<input type="checkbox"/>	G – Specialist Surgeon	<input type="checkbox"/>	Dental
<b>COST CENTRE</b>		<b>Live within 50km of Facility Y/N</b>	

**Approved Medical Administration .....** **Date .....**