PropertyIQ

WA Legislation changes 2020

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PENALTY INTEREST

The prescribed maximum rate of interest has been reduced to 11%, or such lesser rate as the strata company determines. With this change, there are two things you need to do on 1 May 2020:

- 1. Download and process your TXN file for receipts dated 30 April; then
- 2. Update the interest rate setting in PIQ for applicable buildings

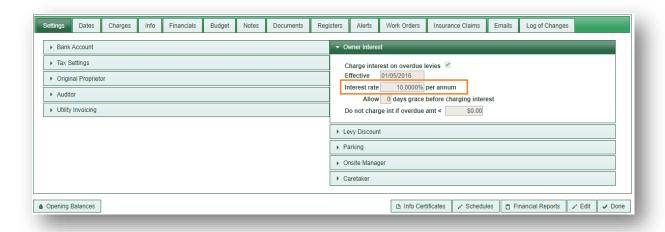
You must ensure that you understand any implications for interest calculation in PropertyIQ on overdue levies dated prior to 1 May.

UPDATE REQUIRED TO INTEREST SETTING IN PIQ FOR APPLICABLE BUILDINGS

- Interest rate on building card must be updated manually on 1 May ('date of interest reduction')
- Do <u>not</u> change the effective date e.g. do not change to 01/05/20, as this will remove all accrued interest on levies prior to this date

To update the interest rate for a building:

- 1. Go to File > Buildings
- 2. Select applicable building
- 3. Go to Settings tab > Owner Interest accordion
- 4. Click the Edit button
- 5. Enter new rate of interest in the interest rate field
- 6. Click Save button



APPLICATION OF REDUCED INTEREST RATE ON UNPAID LEVIES DATED PRIOR TO 1 MAY

There is a transitional provision in clause 23(3) of Schedule 5 of the Act which states:

"Contributions or other arrangements determined under section 36 as in force immediately before commencement day
for any period that continues on or after commencement day are taken to be contributions or arrangements
determined under section 100"

This means that any levy with a due date **prior to 1 May**, which hasn't been fully paid prior to 1 May 2020, will accrue interest at the new reduced rate as per section 100 of the amended Act.



EFFECTS ON INTEREST CALCULATION ON LEVIES

Scenario	Levy type	Interest calculation (once interest rate updated on 1 May)
1	Future dated levy: Levies due on or after date of interest reduction	PIQ will correctly accrue interest as per the updated interest rate.
2	Overdue levy, no payments: Overdue levies dated prior to date of interest reduction, with no payments made against the levy	PIQ will retrospectively recalculate interest owing on the principal levy amount using the reduced interest rate. Lot owner will pay the correct amount of interest when the levy is paid.
3	Overdue levy, with partial payment/s: Overdue levies dated prior to date of interest reduction, with partial payments made against the levy and interest	PIQ will only retrospectively recalculate the interest owing on the balance of the levy (not the principal levy amount). If necessary, you can make a manual adjustment to the lot's ledger to credit back any overcharged interest on amounts already paid. This can be done by processing a negative levy ('credit note') against the lot. See below instructions.
4	Historical levy, full paid: Levies with a due date prior to date of interest reduction, which have been fully paid	There's no impact to these levies and nothing further is required.

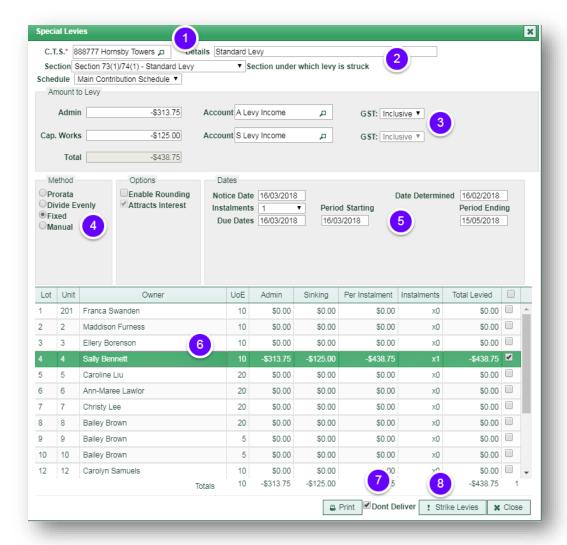
RAISING A NEGATIVE LEVY AS A CREDIT AGAINST A LOT

If a lot has overpaid interest on an overdue levy (refer scenario 3 <u>above</u>), you can process a negative special levy to create a credit against the lot.

Step 1

Create a levy using the Special Levy function for the overpaid interest amount, except the amount will be raised as a negative amount. For example, the interest overpayment is \$438.75, so you'll process a levy for -\$438.75 – ensuring that the breakup between the admin fund and the sinking/maintenance/reserve/capital works funds is aligned to the original amount and allocation.

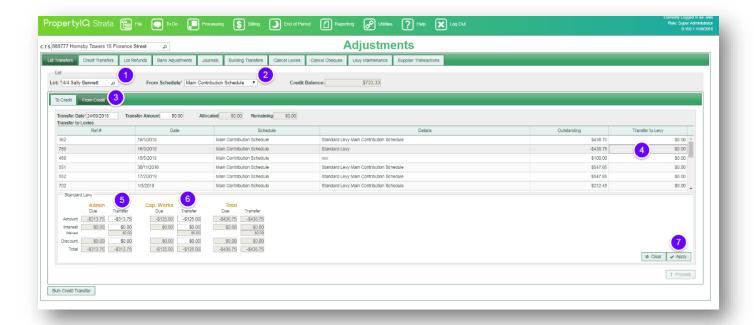
- 1. Select the building
- 2. Select the same settings as the original levy, and enter an appropriate description
- 3. Enter the amounts but with a minus before each amount
- 4. Choose the fixed option
- 5. Enter the same due dates and period as the original levy
- 6. Select the lot owner
- 7. Ensure that Don't Deliver is ticked
- 8. Strike Levies



Step 2

Allocate From Credit to offset the negative levy against the ledger

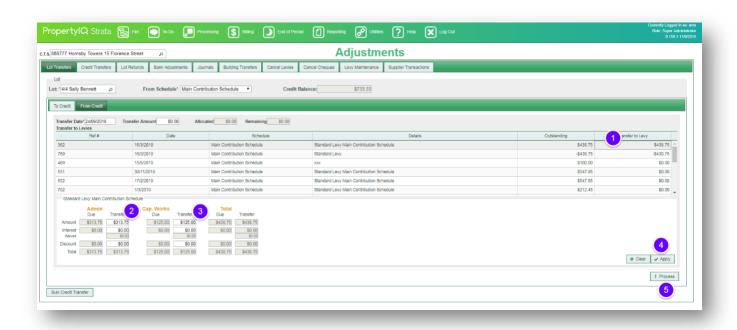
- 1. Select the lot owner using the search icon
- 2. If the building has multiple contribution schedules, choose the schedule this levy is allocated to
- 3. Choose From Credit
- 4. Click on the line that shows the negative amount levy you just created
- 5. Enter the negative amount owing to the admin fund
- 6. Enter the negative amount owing to the sinking/maintenance/reserve fund
- 7. Click Apply



Step 3

Apply the credit to an overdue levy

- 1. Click on an overdue levy
- 2. Enter the positive amount owing to the admin fund
- 3. Enter the positive amount owing to the sinking/maintenance/reserve/capital works fund
- 4. Click Apply
- 5. Click Process



INFORMATION CERTIFICATES AND DISCLOSURE

SECTION 110(1) & 110(2)

Section 110(1) and 110(2) requires you to provide substantially the same information as the information already being provided in the existing 'WA Section 43 Certificate' document generated in PIQ.

You must update your existing certificate template to ensure it's compliant from 1 May 2020 by:

- 1. Updating references to the old sections of the Act, and replace with new section numbers
- 2. Including the start date and end date of the scheme's strata management agreement in the certificate, and manually include this information when generating the certificate.

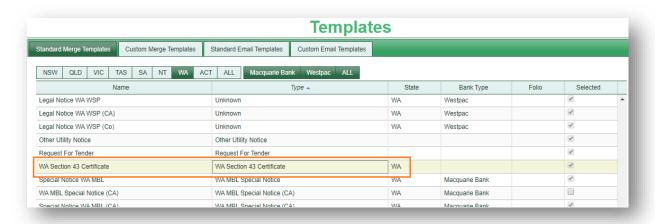
To make things easier for you, we'll be renaming the 'template type' of the WA information certificate to "WA Section 110 Certificate" and adding merge fields for the strata management agreement dates. These will be available in an upcoming release, and in the meantime, you can continue to use the existing certificate template.

We've included instructions <u>here</u> on how to update your existing certificate template. You can also view our short training videos on the template library <u>here</u>.

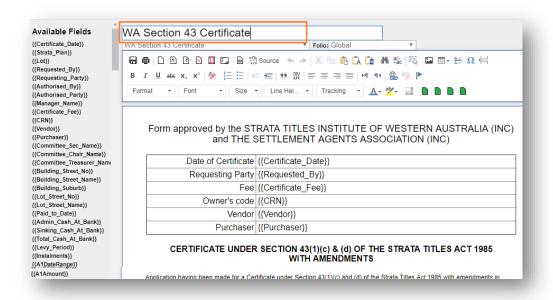
UPDATING SECTION 43 CERTIFICATE TEMPLATE

- 1. Go to File > Templates > Standard Merge Templates tab
- 2. Locate the template called 'WA Section 43 Certificate'
- 3. Select and click the Edit button (or double click on the template) to open
- 4. Rename the document name by typing over the text. For example, rename to "WA Section 110 Certificate"
- 5. Click the save button
- 6. Review the content of the template and update references to the amended Act
- 7. Add new section for details of the strata management agreement/contract
- 8. Click the save button
- 9. Close the browser tab

Template:



Edit the document name - rename to "WA Section 110 Certificate":



Edit Page 1 - recommended changes are highlighted in red:

Form approved by the STRATA TITLES INSTITUTE OF WESTERN AUSTRALIA (INC) and THE SETTLEMENT AGENTS ASSOCIATION (INC) (remove)

Date of Certificate	{{Certificate_Date}}
Requesting Party	{{Requested_By}}
Fee	{{Certificate_Fee}}
Owner's code	{{CRN}}
Vendor	{{Vendor}}
Purchaser	{{Purchaser}}

CERTIFICATE UNDER SECTION 110 OF THE STRATA TITLES ACT 1985 AS AMENDED

Application having been made for a Certificate under Section 110(1) and/or 110(2) of the Strata Titles Act 1985 as amended in respect of-

Lot {{Lot}} on Strata Plan {{Strata_Plan}}
The Owners of {{Building_Street_No}} {{Building_Street_Name}} {{Building_Suburb}}
Address of property- {{Lot_Street_No}} {{Lot_Street_Name}}, {{Building_Suburb}} do hereby certify:

Section 110(2)
(i) The amount of any regular periodic contributions [levies] determined by the Strata Company to the Administrative Fund and the periods in respect of which those contributions are payable are:

Date paid to: {{Paid to Date}}

Period	Amount	Due Date
((A1DateRange))	((A1Amount))	{(A1DueDate)}
((A2DateRange))	((A2Amount))	{(A2DueDate)}
((A3DateRange))	((A3Amount))	{(A3DueDate)}
((A4DateRange))	((A4Amount))	{(A4DueDate)}
((A5DateRange))	((A5Amount))	{(A5DueDate)}
((A6DateRange))	((A6Amount))	{(A6DueDate)}
Amount (if any) outstanding	{(Admin_Arrears)}	
Interest (if any) on outstanding amount	{(Admin_Interest})	
Amount (if any) in credit	{(Admin_Credit})	
Discount (if any) applicable for early payment	{(Admin_Discount)}	

(ii) The amount of contributions determined to the Reserve Fund are:

Date paid to {{Paid to Date}}

Period	Amount	Due Date
((S1DateRange))	((S1Amount))	{(S1DueDate)}
((S2DateRange))	((S2Amount))	{(S2DueDate)}
((S3DateRange))	((S3Amount))	{(S3DueDate)}
((S4DateRange))	((S4Amount))	{(S4DueDate)}
((S5DateRange))	((S5Amount))	{(S5DueDate)}
((S6DateRange))	((S6Amount))	{(S6DueDate)}
Amount (if any) outstanding	{(Sinking_Arrears})	
Interest (if any) on outstanding amount	{(Sinking_Interest)}	
Amount (if any) in credit	{(Sinking_Credit)}	
Discount (if any) applicable for early payment	{(Sinking_Discount)}	

(iii) The amounts due (if any) and payable by the proprietor or the Lot under an exclusive use bylaw (payment for special privileges)

Purpose	Amount	Due Date	Date Determined
((Pt3Purpose1))	((Pt3Amount1))	((Pt3DueDate1))	((Pt3Determined1))
((Pt3Purpose2))	((Pt3Amount2))	((Pt3DueDate2))	((Pt3Determined2))
((Pt3Purpose3))	((Pt3Amount3))	{(Pt3DueDate3)}	{(Pt3Determined3)}
((Pt3Purpose4))	((Pt3Amount4))	{(Pt3DueDate4)}	{(Pt3Determined4)}
((Pt3Purpose5))	((Pt3Amount5))	((Pt3DueDate5))	((Pt3Determined5))
((Pt3Purpose6))	((Pt3Amount6))	{(Pt3DueDate6)}	((Pt3Determined6))
Amount (if any) outstanding	((Pt3Arrears))		
Amount (if any) in credit	{(Pt3Credit})		

Edit Page 2 - recommended changes are highlighted in red:

(iv) The amount recoverable for work undertaken on the part of the owner of the lot are:

Purpose	Amount	Due Date	Date Determined
((P14Purpose1))	((Pt4Amount1))	{(Pt4DueDate1)}	{(Pt4Determined1)}
((Pt4Purpose2))	({Pt4Amount2)}	{(Pt4DueDate2)}	{(Pt4Determined2)}
((Pt4Purpose3))	((Pt4Amount3))	{(Pt4DueDate3)}	{(Pt4Determined3)}
((Pt4Purpose4))	({Pt4Amount4)}	{(Pt4DueDate4)}	{(Pt4Determined4)}
((Pt4Purpose5))	((Pt4Amount5))	{(Pt4DueDate5)}	{(Pt4Determined5)}
((Pt4Purpose6))	((Pt4Amount6))	{(Pt4DueDate6)}	{(Pt4Determined6)}
Amount (if any) outstanding	((Pt4Arrears))		
Amount (if any) in credit	((Pt4Credit))		

(v) The amount of arrears and rate of interest payable in respect of unpaid contributions is:

Rate of interest payable on outstanding contributions	{{Interest_Rate}}
Interest payable on outstanding contributions of ({Total_Arrears})	{{Total interest}}

(vi) The amount recoverable as a penalty or other amount ordered to be paid by the Tribunal is:

Purpose	Amount	Due Date	Date Determined
((Pt6Purpose1))	{(Pt6Amount1)}	{(Pt6DueDate1)}	{(Pt6Determined1)}
((Pt6Purpose2))	((Pt6Amount2))	{(Pt6DueDate2)}	{(Pt6Determined2)}
((Pt6Purpose3))	((Pt6Amount3))	{(Pt6DueDate3)}	{(Pt6Determined3)}
((P56Purpose4))	{(Pt6Amount4)}	{(Pt6DueDate4)}	{(Pt6Determined4)}
((Pt6Purpose5))	((Pt6Amount5))	{(Pt6DueDate5)}	{(Pt6Determined5)}
((Pt6Purpose6))	((Pt6Amount6))	{(Pt6DueDate6)}	{(Pt6Determined6)}
Amount (if any) outstanding	((Pt6Arrears))		
Amount (if any) in credit	((Pt6Credit))		

(vii) The amounts payable for utility services or other services or amenities are:

Туре	Outstanding	Up to	Bond as per Sch. 1 by-law 3(1) (security for payment via sub-meter)
Gas	{(Gas_Amt)}	{(Gas_Upto)}	((Gas_Bond))
Electricity	{(Elec_Amt)}	{(Elec_Upto})	{(Elec_Bond)}
Water	{{Water_Amt}}	{(Water_Upto)}	{{Water_Bond}}
Amount (if any) outstanding	((Sub_Meter_	Amt))	

(viii) SPECIAL LEVY

Purpose	Amount	Due Date	Date Determined
((Pt9Purpose1))	((Pt9Amount1))	((Pt9DueDate1))	((Pt9Determined1))
((Pt9Purpose2))	((Pt9Amount2))	((Pt9DueDate2))	((Pt9Determined2))
((Pt9Purpose3))	((Pt9Amount3))	((Pt9DueDate3))	{(Pt9Determined3)}
((Pt9Purpose4))	((Pt9Amount4))	((Pt9DueDate4))	{(Pt9Determined4)}
((Pt9Purpose5))	((Pt9Amount5))	((Pt9DueDate6))	{(Pt9Determined5)}
((Pt9Purpose6))	((Pt9Amount6))	((Pt9DueDate6))	{(Pt9Determined6)}
Amount (if any) outstan	ding ((Pt9Arrears))		
Amount (if any) in o	redit ((Pt9Credit))		

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SECTION 110(1)

(a) STRATA MANAGEMENT CONTRACT

(Contract in place:	Yes
	Start date:	
1	End date:	

(b) INSURANCE DETAILS AS PER ENCLOSED

Policy No	Insurer	Туре	Sum	Premium
{{Ins1_Policy}} {{Ins1_Period}}	{{Ins1_Company}}	{{Ins1_Type}}	{{Ins1_Sum}}	{{Ins1_Premium}} {{Ins1_Date_Paid}}
{{Ins2_Policy}} {{Ins2_Period}}	{{Ins2_Company}}	{{Ins2_Type}}	{{Ins2_Sum}}	{{Ins2_Premium}} {{Ins2_Date_Paid}}
{{Ins3_Policy}} {{Ins3_Period}}	{{Ins3_Company}}	{{Ins3_Type}}	{{Ins3_Sum}}	{{Ins3_Premium}} {{Ins3_Date_Paid}}
{{Ins4_Policy}} {{Ins4_Period}}	{{Ins4_Company}}	{{Ins4_Type}}	{{Ins4_Sum}}	{{Ins4_Premium}} {{Ins4_Date_Paid}}
{{Ins5_Policy}} {{Ins5_Period}}	{{Ins5_Company}}	{{Ins5_Type}}	{{Ins5_Sum}}	{{Ins5_Premium}} {{Ins5_Date_Paid}}
{{Ins8_Policy}} {{Ins8_Period}}	{{Ins8_Company}}	{{Ins8_Type}}	{{Ins6_Sum}}	{{Ins6_Premium}} {{Ins6_Date_Paid}}
{{Ins7_Policy}} {{Ins7_Period}}	{{Ins7_Company}}	{{Ins7_Type}}	{{Ins7_Sum}}	{{Ins7_Premium}} {{Ins7_Date_Paid}}
{{Ins8_Policy}} {{Ins8_Period}}	{{Ins8_Company}}	{{Ins8_Type}}	{{Ins8_Sum}}	{{Ins8_Premium}} {{Ins8_Date_Paid}}
{{Ins9_Policy}} {{Ins9_Period}}	{{Ins9_Company}}	{{Ins9_Type}}	{{Ins9_Sum}}	{{Ins9_Premium}} {{Ins9_Date_Paid}}
{{Ins10_Policy}} {{Ins10_Period}}	{{Ins10_Company}}	{{Ins10_Type}}	{{Ins10_Sum}}	{{Ins10_Premium}} {{Ins10_Date_Paid}}

(c) COMMON PROPERTY CHANGES

Details of any transfer, lease or other disposition, or exclusive use by-law in connection with the common property which has not been registered by DOLI

registered by both				
Name of the Person	Nature and effect of the transaction or by-law			
((43d_Name1))	((43d_Effect1))			
((43d_Name2))	((43d_Effect2))			
((43d Name3))	{(43d Effect3)}			

UPDATING TEMPLATES

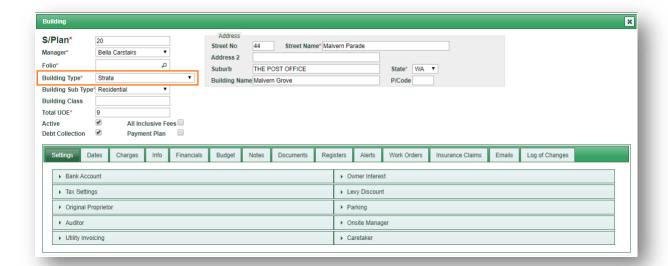
You'll need to review your templates in PIQ and update any references (as required) to be compliant with the amended Act, including your levy and arrears notices and meeting templates. You'll also need to ensure all required information is being included on your levy notices.

Templates in PIQ are fully editable and customisable, and you can view our short training videos on the template library here.

DESIGNATED STRATA COMPANY BUILDING TYPE

You may be required to record a scheme as a 'designated strata company' for the purposes such as a reserve fund budget and a 10-year maintenance plan.

We'll be adding this as a new option to the available building types and once available, it can be updated using the 'building type' dropdown on the building card.

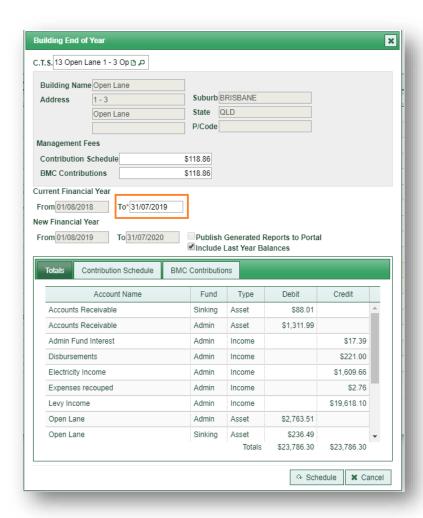


CHANGING A BUILDING'S FINANCIAL YEAR

You may be required to update the financial year of a strata company during a 5-year transitional period.

You can currently update the financial year of a building in PIQ by changing the financial year end date when performing a building year end rollover.

View our help manual on building year end here for more information.



RECORD KEEPING AND DOCUMENT RETENTION

There are record keeping requirements which enforce the retention of a number of documents for various periods of time specified in the Regulations. These periods can be anywhere from 7-20 years, or for the life of the scheme.

To assist you with document retention, you can save, download and export documents in PIQ. However, it's your responsibility to meet these obligations and ensure certain documents are kept for the prescribed period.

You can view our help manuals on document management here and exporting documents here.