

3.5% WAGE INCREASE ANNOUNCED

The Fair Work Commission (FWC) has announced a 3.5% increase to minimum wages. The increase will apply from the first full pay period starting on or after 1 July 2018.

What do I need to do?

Employer Assist is in the process of preparing updated pay scale summaries for AAAA members. Once prepared, we will email members a copy of the new rates.

In the meantime, employers should start reviewing their employee's current pay rates and preparing for the increase. Now is a perfect time for employers to roll out new employment contracts or review and update existing employment contracts.

Who does the increase apply to?

The increase only applies to employees that get their pay rates from the national minimum wage, a modern award or in some cases a registered agreement.

Award Free Employees

The new national minimum wage will be \$719.20 per week or \$18.93 per hour. The national minimum wage applies to employees who aren't covered by a modern award or registered agreement.

Award Covered Employees

Most employees are covered by a modern award. Modern award rates will increase by 3.5%. As mentioned, Employer Assist is preparing updated pay scale summaries which will be emailed to members once completed.

If an employee is already paid above the modern award, employers may be able to absorb the increase. However, employers will need to ensure that the employee's wage is at least equal to or better off overall compared to the employee's minimum entitlements under the modern award. Contact Employer Assist for assistance with these calculations.

Enterprise Agreements

If a registered agreement applies to the workplace, employers will need to ensure the minimum base rates in the agreement remain at least equal to the modern award rates. If not, the agreement rates will need to be increased to match the new modern award rates.

Questions

AAAA members can contact Employer Assist on 1300 735 306 or aaaa@employerassist.com.au for information and advice on the wage increase.