1.75 PERCENT WAGE INCREASE ANNOUNCED

The Fair Work Commission (FWC) has announced a 1.75 percent increase to minimum wages following its 2020 annual wage review

The commencement of the increase will depend on which group the applicable award falls under and will apply from the first full pay period starting on or after:

- Group One 1 July 2020;
- Group Two 1 November 2020; or
- Group Three 1 February 2021.

Relevantly, the Clerks Private Sector Award and Manufacturing and Associated Industries and Occupations Award fall into Group Two and the Vehicle Repair, Services and Retail Award falls into Group Three.

Award Employees

Employer Assist will provide members with access to updated pay scale summaries in due course.

Alternatively, updated award rates will be made available on the Fair Work Ombudsman website shortly after the FWC updates the pay rates in each award.

If an employer is already paying their employee more than the minimum award rate, the employer may be able to absorb the increase depending on the particular employment arrangements.

Members can contact Employer Assist for specific advice on whether absorbing an increase is possible based on individual circumstances.

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 award rates.



If not, the agreement rates will need to be increased to match the new award rates.

Award Free Employees

The new national minimum wage that will apply from the first full pay period starting on or after 1 July 2020 will be \$753.80 per week or \$19.84 per hour.

The national minimum wage applies to employees who aren't covered by an award or registered agreement.

JobKeeper

Under the JobKeeper scheme, each fortnight employers need to pay their employees the higher of:

- the amount of the JobKeeper payment (\$1500 before tax), or
- their usual pay for the work they perform during the fortnight (including any paid leave or public holiday pay).

When calculating the amount an employee in the JobKeeper scheme needs to be paid, the employee's usual pay for work performed in the fortnight may be affected by the minimum wage increase.

What can members do now?

Members should keep an eye out for updated pay scale summaries. In the meantime, members can start reviewing and considering current wage arrangements based on the upcoming increase.

Also, now is a good opportunity to consider implementing updated employment contracts. There have been a number of recent significant decisions and changes in employment law which may conflict with existing contract terms.

Employer Assist can review existing employment contracts and provide members with advice regarding any amendments required.

Employer Assist can also provide members with template employment contracts and tailor these as necessary to suit any individual requirements.

AAAA Member Benefits

If you require further advice, please contact Employer Assist on 1300 735 306 or aaaa@employerassist.com.au

