



2021 Wage and Superannuation Increases

Following the Annual Wage Review 2021, the Fair Work Commission (FWC) has announced a 2.5% increase to the national minimum wage. This will also apply to all award wages, with the award increase happening in 3 stages to delay the operative date for some industries that continue to be impacted by COVID.

This increase applies to anyone who is paid minimum award wages or the national minimum wage. If you are covered by a registered agreement, you should check it to see whether this increase affects you. The increase does not affect employees who already get paid more than their minimum wage.

For anyone not covered by an award or an agreement, the new national minimum wage will be \$772.60 per week or \$20.33 per hour.

The new national minimum wage will apply for most awards from the first full pay period on or after 1 July 2021. This means if you have a weekly pay period that starts on Mondays, the new rates will apply from Monday 5 July 2021.

The increase for the **General Retail Industry Award** will apply from the first full pay period on or after 1 September 2021.

The 21 awards that will increase from the first full pay period on or after 1 November 2021 are listed below.

- Pilots Award
- Cabin Crew Award
- Airline Ground Staff Award
- Airport Award
- Alpine Resorts Award
- Amusement Award
- Dry Cleaning and Laundry Award
- Dry Cleaning and Laundry Award
- Fitness Award
- Hair and Beauty Award
- Hospitality Award
- Models Award
- Marine Tourism and Charter Vessels Award
- Nursery Award
- Racing Clubs Events Award
- Racing Ground Maintenance Award
- Registered Clubs Award
- Restaurant Award

What do you need to do?

Employers should now carefully review their wage arrangements and implement the necessary wage increases to ensure minimum wage rates are at least commensurate with the underpinning modern award.

Employers paying above-award payments should also review such arrangements to ensure that they are high enough to accommodate the increases (provided they are also supported by the necessary individual flexibility or other agreements).

If you play in line with the award, check with your payroll provider that their system will be updated or understand what you need to advise them so that your payments remain compliant.

You may like to advise your employees that you are aware of the award increase and that it will be actioned accordingly.

Superannuation

Whilst this matter has been discussed for some time and, there was an effort to delay this increase due to COVID-19, this change may have crept up on a few of us.

From 1 July 2021 employers' minimum superannuation contributions will be increased to 10% which must be paid into the employees' complying funds, calculated against Ordinary Time Earnings, to avoid liability to pay the Superannuation Guarantee Charge.

Most employers will need to implement this change, however, the employment conditions noted in your employment contracts and/or enterprise agreements, etc may alter the impact to you. Please check your employment contracts and industrial instruments.

Further, how your employees are remunerated will determine the impact of this change on your payroll and/or on your employees (eg if employees are paid an all-in salary package that includes super the increase may be managed differently, which may result is a negative impact to the employee that they should be aware of.

What do you need to do?

Check your contracts and industrial agreements.

Update your finance systems to reflect this change – amend budgets and payroll systems (if you outsource payroll, double check that their system has been updated).

Communicate with your team so that they understand how this change affects them.

If you have any questions regarding your minimum pay obligations, minimum superannuation contributions or penalty rates, do not hesitate to contact Solutions to Spec.



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