

INFORMATION

NATIONAL MINIMUM WAGE DECISION

BRIEFING AND CHECKLIST



TRMC MEMBER BRIEFING - 2020 NATIONAL MINIMUM WAGE CASE DECISION

THE DECISION

The Fair Work Commission decision, handed down on Friday 19th June 2020, will increase the national minimum adult wage by 1.75%. The new adult National Minimum Wage will be \$753.80 per week or \$19.84 per hour. This constitutes an increase of \$13.00 per week to the weekly rate, or 35 cents per hour to the hourly rate.

This increase will apply from the first full pay period that starts on or after 1st July 2020. However, this year the flow on of the decision into the Award system has taken a different approach to normal.

BACKGROUND

The Commission concluded the prevailing economic considerations weighed in favour of greater moderation in terms of the outcome of their decision. The Commission considered the uncertainty surrounding the pathway out of recession and adopted a cautious approach to both the amount and the timing of the adjustment to the National Minimum Wage and award minimum wages.

Given the differing circumstances experienced by each sector of the economy, the Commission has determined staggered operative dates for different groups of awards/industries. Although there is an increase, the decision will give members time to prepare and account for it in budgets.

AWARDS - STAGGERED OPERATIVE DATES FOR THE INCREASE

Most Awards that apply to TRMC members will fall into the Group 2 category and the minimum Award rate increase will be operative from the first full pay period on or after 1st November 2020.

Group 2 Awards include:

- Graphic Arts, Printing and Publishing Award
- Book Industry Award
- Business Equipment Award
- Journalists Published Media Award
- Clerks Private Sector Award
- Road Transport and Distribution Award

INFORMATION

NATIONAL MINIMUM WAGE DECISION

BRIEFING AND CHECKLIST



The Commercial Sales Award has been placed into Group 3 with an operative date for the increase slated for 1st February 2021.

If a different Award applies to these, please confirm the applicable commencement date.

NEXT STEPS

Effectively, and if applicable, members will not generally need to pass on any Award minimum increase until 1st November 2020. The Commission will finalise allowances in awards for the applicable CPI index figure over the coming weeks.

TRMC MEMBER CHECKLIST - 2020 NATIONAL MINIMUM WAGE DECISION

Members should consider the following issues as they relate to their employees and take any appropriate action.

- Operative Dates**
Confirm and diarise relevant operative dates (discussed in the Briefing document) if any increase to wages and or allowances is required as a result of the decision.
- Award Covered Employees**
The NMW increase will flow into all Award rates of pay from the specified operative dates. Members who pay employees at the minimum Award rate of pay will be required to increase pay from the appropriate date.
- Above-Award Paid Employees**
The incoming increases to the Award rates of pay can be absorbed into an employee's current rates of pay as long as the result leaves their rate of pay at least equal to the increased Award minimum rates.
- Salaried Award Covered Employees**
Members who employ Award covered employees who are paid an annualised salary must ensure the employee's annualised salary remains sufficient to absorb the increased Award-based monetary entitlements, and adjust upward if necessary.

INFORMATION

NATIONAL MINIMUM WAGE DECISION

BRIEFING AND CHECKLIST



Award-free Employees

Members who employ Award free adult employees must pay them at least the new National Minimum Wage rate from the first full pay period on or after 1st July 2020.

A member with Award free junior employees must pay those employees at the appropriate percentage of the National Minimum Wage rate from the first full pay period on or after 1st July 2020.

Enterprise Agreements Covered Employees

Members with enterprise agreements will need to ensure the base rates of pay in the enterprise agreement is at least equal to the relevant rate in a respective Awards as increased by the decision.

Employees covered by Individual Flexibility Agreements

Members with Individual Flexibility Agreements in the workplace need to ensure employees are and remain "better off overall" when compared to the applicable Award and any minimum rate and allowance increases.

Award Allowances

Where applicable, members need to adjust any Award based allowances from the appropriate date.

TRMC will continue to keep you informed as to any amendments of the above, however if you have any questions or concerns, please contact our GM – IR, Policy and Governance, Charles Watson, at charles@thermc.com.au or phone him on 0428 568 032.