

Piece rates & commission payments

Some employees can be paid piece rates or commission payments.

Employees paid piece rates and commission payments are paid by results instead of getting an hourly or weekly pay rate. This means the amount the employee earns each week will vary depending on how much work they do.

Piece rates

A piece rate is where an employee gets paid by the piece. This means the employee gets a pay rate for the amount picked, packed, pruned or made.

When piece rates are paid, they apply instead of the hourly or weekly pay rate. An employee can be hired to work a mix of piece rates and hourly rate shifts.

When can an employee be paid piece rates?

An employee can be paid piece rates when:

- an award or registered agreement allows for piece rate payments
- the employee isn't covered by an award or registered agreement and they get a pay rate based on how much work they do.

There has to be a written and signed piecework agreement setting out the pay rate per piece and how it is measured. An employer has to keep the agreement as part of their records and give a copy to the employee.

If the agreement is varied, it must be agreed to in writing by the employee and employer.

An award or registered agreement can have additional requirements or specific rules about piecework. Find out more information about piecework arrangements in your award by selecting from the list below.

Find enterprise agreements and other registered agreements on the Fair Work Commission website.

Award and agreement free employees can be paid piece rates. They must still receive at least the [national minimum wage \(www.fairwork.gov.au/Dictionary.aspx?TermID=2030\)](http://www.fairwork.gov.au/Dictionary.aspx?TermID=2030) . Go to [Award and agreement free wages and conditions \(www.fairwork.gov.au/awards-and-agreements/award-and-agreement-free-wages-and-conditions\)](http://www.fairwork.gov.au/awards-and-agreements/award-and-agreement-free-wages-and-conditions) for more information.

Commission payments

A commission payment is an amount paid to an employee based on how much they sell.

Normally, the commission payment is calculated as a fee or percentage of the employee's total sales. A commission payment can be called a 'bonus' or 'incentive payment'.

A commission payment can:

- be paid as an extra incentive on top of an employee's pay or
- make up an employee's whole wage (commission only payments).

When can an employee be paid commission as an incentive?

An employee can be paid commission as an incentive at any time.

An award or registered agreement can set out rules about how this can be done.

When can an employee be paid commission only?

An employee can be paid on a commission only basis when an award, enterprise agreement or other [registered agreement \(www.fairwork.gov.au/Dictionary.aspx?TermID=2034\)](http://www.fairwork.gov.au/Dictionary.aspx?TermID=2034) states an employee can be paid this way.

For rules about paying award and agreement free employees on a commission only basis see [Award and agreement free wages and conditions \(www.fairwork.gov.au/awards-and-agreements/award-and-agreement-free-wages-and-conditions\)](http://www.fairwork.gov.au/awards-and-agreements/award-and-agreement-free-wages-and-conditions) .

An award or registered agreement can set out specific rules about how the commission can be paid.

Find information about piecework arrangements and commission payments in your award by selecting from the list below.

Based on what you've told us, it looks like you're covered by the Horticulture Award [MA000028].

Piece rates

An employee can enter into a written agreement to be paid pieceworker rates under the Horticulture Award. This agreement has to be genuinely made without coercion or duress.

A pieceworker under the Horticulture Award isn't guaranteed a minimum hourly or weekly rate that applies to the type of work they do, or the national minimum wage.

The piecework rate has to allow the average competent employee to earn at least 15% more per hour than the relevant minimum hourly rate in the award (inclusive of the casual loading for casual employees).

There are many factors that affect what an average competent employee is. There's no standard across the horticulture industry.

Factors that should be considered in a piecework agreement include the:

- crop involved
- plants involved
- terrain
- particular harvest
- picking requirements
- size and sophistication of the business
- packing shed
- harvesting or pick data.

Use our [interactive piecework agreement template \(www.fairwork.gov.au/how-we-will-help/templates-and-guides/templates/piecework-agreement\)](http://www.fairwork.gov.au/how-we-will-help/templates-and-guides/templates/piecework-agreement) to make a piecework agreement under the Horticulture Award.

Commission payments

An employee can't be paid by commission only under the Horticulture Award.

For hourly pay rates in this award, check [Minimum wages \(www.fairwork.gov.au/pay/minimum-wages/default\)](http://www.fairwork.gov.au/pay/minimum-wages/default) .

To find out more about who this award applies to, go to the [Horticulture Award summary \(www.fairwork.gov.au/awards-and-agreements/awards/award-summary/ma000028-summary\)](http://www.fairwork.gov.au/awards-and-agreements/awards/award-summary/ma000028-summary) .

Source reference: [Horticulture Award \[MA000028\] clause 1 \(https://www.fwc.gov.au/documents/documents/modern_awards/award/ma000028/default.htm\)](https://www.fwc.gov.au/documents/documents/modern_awards/award/ma000028/default.htm) 6 

Think a mistake might have been made?

Mistakes can happen. The best way to fix them usually starts with talking.

Check out our [Help resolving workplace issues \(www.fairwork.gov.au/how-we-will-help/how-we-help-you/help-resolving-workplace-issues/default\)](http://www.fairwork.gov.au/how-we-will-help/how-we-help-you/help-resolving-workplace-issues/default) section for practical advice on:

- figuring out if a mistake has been made
- talking to your employer or employee about fixing it
- getting help from us if you can't resolve it.

Help for small business

- Find tools, resources and information you might need on our [Small business page \(www.fairwork.gov.au/Find-help-for/Small-business/default\)](http://www.fairwork.gov.au/Find-help-for/Small-business/default) .

You might also be interested in

- [Minimum wages \(www.fairwork.gov.au/pay/minimum-wages/default\)](http://www.fairwork.gov.au/pay/minimum-wages/default)

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Contact us

Fair Work Online: www.fairwork.gov.au

Fair Work Infoline: 13 13 94

Need language help?

Contact the Translating and Interpreting Service (TIS) on 13 14 50

Hearing & speech assistance

Call through the National Relay Service (NRS):

For TTY: 13 36 77. Ask for the Fair Work Infoline 13 13 94

Speak & Listen: 1300 555 727. Ask for the Fair Work Infoline 13 13 94

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