

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 Plumbing and Fire Sprinklers Award [MA000036].

An employee can't be paid pieceworker rates or by commission only under the Plumbing Award.

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

To find out more about who this award applies to, go to the [Plumbing Award summary \(https://www.fairwork.gov.au/awards-and-agreements/awards/award-summary/ma000036-summary\)](https://www.fairwork.gov.au/awards-and-agreements/awards/award-summary/ma000036-summary) .

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)

Page reference No: 1607

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

The Fair Work Ombudsman is committed to providing advice that you can rely on. The information contained on this website is general in nature. If you are unsure about how it applies to your situation you can call our Infoline on 13 13 94 or speak with a union, industry association or workplace relations professional. Visitors are warned that this site may inadvertently contain names or pictures of Aboriginal and Torres Strait Islander people who have recently died.