

## I'm not sure what to pay my employees

Annual Wage Review – 1 September 2021 changes

From 1 September 2021, minimum wages in the Retail Award are increasing. Updated minimum rates are now available in our pay tools. See our [Annual Wage Review 2021 \(www.fairwork.gov.au/about-us/news-and-media-releases/website-news/annual-wage-review-2021\)](http://www.fairwork.gov.au/about-us/news-and-media-releases/website-news/annual-wage-review-2021) page for more information.

Not knowing what to pay staff can be a common problem for employers. Finding out whether an award applies to your business, and which classification your employees are, is critical to getting your employee's entitlements right.

Not knowing the law can create problems for your workplace and lead to serious penalties.

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### How to find the right pay

#### Before you start - information you need

- A list of duties the employee will or does perform.
- Details about their employment status, for example if they're full-time or casual.
- Employee details such as their age, qualifications, and experience.

#### Steps to take

1. Work out which award or agreement applies

- If your business has a registered agreement ([www.fairwork.gov.au/awards-and-agreements/agreements/default](http://www.fairwork.gov.au/awards-and-agreements/agreements/default)) then you'll need to refer to it for minimum pay rates. You can search for an agreement on the [Fair Work Commission website \(https://www.fwc.gov.au/awards-and-agreements/agreements\)](https://www.fwc.gov.au/awards-and-agreements/agreements).
- If your business doesn't have a registered agreement then employees will usually be covered by an [award \(www.fairwork.gov.au/awards-and-agreements/awards/default\)](http://www.fairwork.gov.au/awards-and-agreements/awards/default). Use [Find my award \(www.fairwork.gov.au/awards-and-agreements/awards/find-my-award/\)](http://www.fairwork.gov.au/awards-and-agreements/awards/find-my-award/) to work out which award covers your business and employees.
- You can also check our page [I'm not sure which award covers my business \(www.fairwork.gov.au/workplace-problems/common-workplace-problems/im-not-sure-which-award-covers-my-business\)](http://www.fairwork.gov.au/workplace-problems/common-workplace-problems/im-not-sure-which-award-covers-my-business).

2. Use our Pay and Conditions Tool

- Use our [Pay and Conditions Tool \(https://calculate.fairwork.gov.au/findyouraward\)](https://calculate.fairwork.gov.au/findyouraward) to work out award rates including penalty rates, overtime, and allowances.

3. Read the award in more detail

- Find your award in our [List of awards \(www.fairwork.gov.au/awards-and-agreements/awards/list-of-awards/\)](http://www.fairwork.gov.au/awards-and-agreements/awards/list-of-awards/) to read the award in detail.
- To work out if an award applies, read the coverage clause (usually clause 4) and the classifications list (usually Schedule B at the bottom of the award).

#### 4. Sit down and talk to your employee

- If you and your employee disagree about which classification applies to them, you should sit down together and read through the duties of the role and the classification list in the award.
- The level that most closely aligns with their duties will apply. Things such as years of experience or a formal qualification may make a difference to the classification. This will be outlined in the award.

#### 5. Stay up to date with changes

- Register for [My account \(www.fairwork.gov.au/my-account/register.aspx\)](http://www.fairwork.gov.au/my-account/register.aspx) to keep up to date with significant changes to your award.

#### **Example: Employee's role changes**

Judy employs an office worker under the Clerks Award. Her employee has been performing the role of receptionist for 12 months and Judy wants to promote her to office manager.

The new role will involve increased responsibilities and duties.

Judy creates a job description and writes down the main tasks that her employee will perform in the new role. Judy and her employee sit down together to go over the new role and they compare the duties to the classifications listed in Schedule B of the award.

They agree that her new duties most closely align with a level 3 classification and they base her new wage on that level.

#### **Best practice tip**

Find out what to pay your employees before they start work. You should let your employees know which award they're covered by and the classification that applies in their [employment contract \(www.fairwork.gov.au/awards-and-agreements/employment-contracts-1\)](http://www.fairwork.gov.au/awards-and-agreements/employment-contracts-1).

### **If you need more support**

Some jobs and industries aren't covered by an award. In this case, an employee has to be paid at least the [National Minimum Wage \(www.fairwork.gov.au/pay/minimum-wages/default\)](http://www.fairwork.gov.au/pay/minimum-wages/default). If you think an award may not apply to your employee it's best to [check with us \(www.fairwork.gov.au/contact-us/default\)](http://www.fairwork.gov.au/contact-us/default).

If you are a member of an [employer association \(www.fairwork.gov.au/website-information/related-sites\)](http://www.fairwork.gov.au/website-information/related-sites) you can also request help from them directly.

#### **Employer Advisory Service**

Our Employer Advisory Service (EAS) gives eligible [small businesses \(www.fairwork.gov.au/Dictionary.aspx?TermID=2157\)](http://www.fairwork.gov.au/Dictionary.aspx?TermID=2157) free tailored written advice on pay and entitlement issues.

The service assists employers in understanding and complying with pay and entitlement obligations under awards and the Fair Work Act.

If you're a small business employer, learn more about the service, to see if you're eligible and find out how to access it at [Employer Advisory Service – overview \(www.fairwork.gov.au/small-business-showcase/employer-advisory-service/employer-advisory-service\)](http://www.fairwork.gov.au/small-business-showcase/employer-advisory-service/employer-advisory-service).

### **Other common workplace problems**

- [I'm not sure which award covers my business \(www.fairwork.gov.au/workplace-problems/common-workplace-problems/im-not-sure-which-award-covers-my-business\)](http://www.fairwork.gov.au/workplace-problems/common-workplace-problems/im-not-sure-which-award-covers-my-business)
- [My employee isn't doing their job properly \(www.fairwork.gov.au/workplace-problems/common-workplace-problems/my-employee-isnt-doing-their-job-properly\)](http://www.fairwork.gov.au/workplace-problems/common-workplace-problems/my-employee-isnt-doing-their-job-properly)
- [I think I've underpaid my employee \(www.fairwork.gov.au/workplace-problems/common-workplace-problems/i-think-ive-underpaid-my-employee\)](http://www.fairwork.gov.au/workplace-problems/common-workplace-problems/i-think-ive-underpaid-my-employee)
- [My employee left without giving notice \(www.fairwork.gov.au/workplace-problems/common-workplace-problems/my-employee-left-without-giving-notice\)](http://www.fairwork.gov.au/workplace-problems/common-workplace-problems/my-employee-left-without-giving-notice)

### **Tools and resources**

- [An employer's guide to resolving workplace issues \(DOCX 397.1KB\) \(www.fairwork.gov.au/ArticleDocuments/712/an-employers-guide-to-resolving-workplace-issues.docx.aspx\)](http://www.fairwork.gov.au/ArticleDocuments/712/an-employers-guide-to-resolving-workplace-issues.docx.aspx) (PDF 470.3KB) ([www.fairwork.gov.au/ArticleDocuments/712/an-employers-guide-to-resolving-workplace-issues.pdf.aspx](http://www.fairwork.gov.au/ArticleDocuments/712/an-employers-guide-to-resolving-workplace-issues.pdf.aspx))

[to-resolving-workplace-issues.pdf.aspx](#))

- [My account \(www.fairwork.gov.au/my-account/register.aspx\)](#)
- [Subscribe to email updates \(www.fairwork.gov.au/website-information/staying-up-to-date/manage-subscription\)](#)
- [Difficult conversations on the workplace – manager course \(www.fairwork.gov.au/tools-and-resources/online-learning-centre/difficult-conversations-in-the-workplace-manager-course\)](#)

## Related information

- [Employment contracts \(www.fairwork.gov.au/awards-and-agreements/employment-contracts\)](#)
- [Salary payments \(www.fairwork.gov.au/pay/minimum-wages/salary-payments\)](#)
- [Pay guides \(www.fairwork.gov.au/pay/minimum-wages/pay-guides\)](#)
- [Individual flexibility arrangements \(www.fairwork.gov.au/employee-entitlements/flexibility-in-the-workplace/individual-flexibility-arrangements\)](#)
- [Penalty rates and allowances \(www.fairwork.gov.au/pay/penalty-rates-and-allowances/default\)](#)
- [Paying wages \(www.fairwork.gov.au/pay/paying-wages\)](#)
- [Pay slips \(www.fairwork.gov.au/pay/pay-slips-and-record-keeping/pay-slips\)](#)
- [Fair Work Commission website \(https://www.fwc.gov.au/awards-and-agreements/agreements\)](https://www.fwc.gov.au/awards-and-agreements/agreements) 

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## Contact us

Fair Work Online: [www.fairwork.gov.au](http://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.