

PHASING-IN ARRANGEMENTS

MINIMUM WAGES – EXISTING MINIMUM WAGE IS LOWER

The following arrangements apply where the existing wage is lower than the wage contained in the Modern Award.

The difference between the minimum wage for the classification in the Modern Award and the current minimum wage is referred to as the transitional amount.

From the following dates the employer must pay no less than the minimum wage for the classification in the Modern Award minus the specified proportion of the transitional amount:

First full pay period on or after

1 July 2010	80%
1 July 2011	60%
1 July 2012	40%
1 July 2013	20%

The employer must apply any increase in minimum wages in the Modern Award resulting from an annual wage review.

These provisions cease to operate from the beginning of the first full pay period on or after 1 July 2014.

EXAMPLE:

Assuming the Modern Award requires an employee to be paid \$17.00 per hour but the existing award rate is \$12 per hour. The transitional amount is \$5.00 per hour. The increased hourly rate is to be phased in as follows:

1 July 2010	\$13.00
1 July 2011	\$14.00
1 July 2012	\$15.00
1 July 2013	\$16.00
1 July 2014	\$17.00

MINIMUM WAGES – EXISTING MINIMUM WAGE IS HIGHER

The following arrangements apply where the existing wage is higher than the wage contained in the Modern Award.

The difference between the minimum wage for the classification in the Modern Award and the current minimum wage is referred to as the transitional amount.

From the following dates the employer must pay no less than the minimum wage for the classification in the Modern Award plus the specified proportion of the transitional amount:

First full pay period on or after

1 July 2010	80%
1 July 2011	60%
1 July 2012	40%
1 July 2013	20%

EXAMPLE:

Assuming the Modern Award requires an employee to be paid \$12.00 per hour but the existing award rate is \$17.00 per hour. The transitional amount is \$5.00 per hour. The reduced hourly rate is to be phased in as follows:

1 July 2010	\$16.00
1 July 2011	\$15.00
1 July 2012	\$14.00
1 July 2013	\$13.00
1 July 2014	\$12.00

The employer must apply any increase in minimum wages in the Modern Award resulting from an annual wage review. If the transitional amount is equal to or less than any increase in minimum wages resulting from the 2010 annual review the transitional amount is to be set off against the increase and the other provisions of this clause will not apply.

These provisions cease to operate from the beginning of the first full pay period on or after 1 July 2014.

LOADINGS AND PENALTY RATES – EXISTING LOADING OR PENALTY RATE LOWER

The following arrangements apply where the existing loading or penalty is lower than the loading or penalty contained in the Modern Award. Loading or penalty refers to:

- casual or part-time loading;
- Saturday, Sunday, public holiday, evening or other penalty;
- Shift allowance/penalty.

The difference between the loading or penalty in the Modern Award and the existing rate is referred to as the transitional percentage.

From the following dates the employer must pay no less than the loading or penalty in the Modern Award minus the specified proportion of the transitional percentage:

First full pay period on or after

1 July 2010	80%
1 July 2011	60%
1 July 2012	40%
1 July 2013	20%

These provisions cease to operate from the beginning of the first full pay period on or after 1 July 2014.

EXAMPLE:

Assuming the Modern Award provides a Casual Loading of 25% and the existing Award provides a Casual Loading of 20%. The transitional amount is 5%

Applying the above provisions gives an amount as follows:

1 July 2010	21%
1 July 2011	22%
1 July 2012	23%
1 July 2013	24%
1 July 2014	25%

LOADINGS AND PENALTY RATES – EXISTING LOADING OR PENALTY RATE HIGHER

The following arrangements apply where the existing loading or penalty rate is higher than the loading or penalty contained in the Modern Award.

The difference between the loading or penalty in the Modern Award and the existing rate is referred to as the transitional percentage.

From the following dates the employer must pay no less than the loading or penalty in the Modern Award plus the specified proportion of the transitional percentage:

First full pay period on or after	
1 July 2010	80%
1 July 2011	60%
1 July 2012	40%
1 July 2013	20%

These provisions cease to operate from the beginning of the first full pay period on or after 1 July 2014.

EXAMPLE

Assuming the Modern Award provides a penalty of 20% whereas the existing Award penalty is 30%. The transitional amount is 10%.

Applying the above provisions gives an amount as follows:

1 July 2010	28%
1 July 2011	26%
1 July 2012	24%
1 July 2013	22%
1 July 2014	20%

LOADINGS AND PENALTY RATES – NO EXISTING LOADING OR PENALTY RATE

The following arrangements apply where there is no existing loading or penalty rate in the existing award and a loading or penalty rate is provided in the Modern Award.

Prior to the first full pay period on or after 1 July 2010 an employer need not pay the loading or penalty in the Modern Award which did not exist.

From the following dates the employer must pay no less than the following percentage of the loading or penalty:

First full pay period on or after

1 July 2010	80%
1 July 2011	60%
1 July 2012	40%
1 July 2013	20%

These provisions cease to operate from the beginning of the first full pay period on or after 1 July 2014.

EXAMPLE:

Where an employee did not previously have an Entitlement, the Entitlement under the Modern Award will be implemented at increments of 20% per year until 1 July 2014. If an employee who currently has no entitlement to a shift loading is then covered by a Modern Award with a 25% shift loading, the employee will receive a loading as follows:

1 July 2010	5%
1 July 2011	10%
1 July 2012	15%
1 July 2013	20%
1 July 2014	25%