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CHANGES TO THE GENERAL RETAIL INDUSTRY AWARD

AUTHOR // BELINDA HAPGOOD AND LAURA GERCKEN

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MINIMUM WAGE INCREASE

The minimum wage for employees covered by the General Retail Industry Award has increased by 3%. This is in line with most other increases. Employees must be paid at least the minimum wage under the Award from the pay period commencing 1 July 2014.

DIFFERENT PAY RATES FOR 20 YEAR OLDS

20 year olds are considered “junior” employees under the Award and previously, were entitled to at least 90% of the applicable minimum wage rate.

However, effective 1 July 2014, the minimum rate that 20 year old employees are to be paid is dependent upon how long they have been employed by the employer.

If a 20 year old employee has been employed by the employer for 6 months or less, then they will continue to be entitled to at least 90% of the applicable minimum wage rate.

If a 20 year old employee has been employed by the employer for more than 6 months, then they must be paid at least 95% of the applicable minimum wage rate.

This distinction will increase on 1 July 2015 where employees aged 20 years who have been employed by the employer for more than 6 months must be paid at least the equivalent of the applicable minimum wage rate.

This difference in pay rates depending upon the period of employment is applicable only to 20 year old employees.

OTHER CHANGES TO THE AWARD

Meal allowances in the event of an employee being required to work more than one hour of overtime have also increased.

OTHER CHANGES WHICH MAY AFFECT RETAILERS

The Superannuation Guarantee has increased from 9.25% to 9.5% also effective 1 July 2014. Employers who pay their employees’ salary as a package will need to decide whether the additional 0.25% is absorbed by the employee as part of their package, or whether the employee’s package will be increased by 0.25%.

FOR MORE INFORMATION, PLEASE CONTACT:



BELINDA HAPGOOD //
Partner
T 61 7 3001 9268
E b.hapgood@clarkekann.com.au



LAURA GERCKEN //
Lawyer
T 61 7 3001 9262
E l.gercken@clarkekann.com.au

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