

Aware Super's Proposal for Employees – February 2021

Included below is a summary & assessment of Aware Super's proposal for its employees regarding Coverage, Salaries, Hour of Work, Span of Hours, Overtime, Redundancy, & Calculating entitlements for annualised salary.

Coverage

Is very important as being covered by an enterprise agreement:

- » determines whether your pay & conditions are negotiated or imposed,
- » determines whether you can enforce your entitlements through the low cost tribunal (Fair Work Commission) or through the high cost federal court
- » gives you access to unfair dismissal if you earn \$153,600 or more, and would be award-free if the agreement didn't apply

Salaries – Basic Pay Rise

Aware Super is proposing 0% basic pay rise per year for the majority of employees. Employees within the 'core coverage' might get the basic pay rise, as long as;

- » They are not within probation
- » They do not earn over \$100,000
- » Have met their supervisor's expectation in all areas of their performance

Employees who earn over \$100,000 might also get the basic pay rise, as long as;

- » They have met their supervisor's expectation in all areas of their performance; and

- » Their income is more than 10-15 thousand dollars below the average market rate (ie, is below the salary range set by Aware Super for their classification)

The Company is proposing the basic pay rise (if applicable) would be 1.5% for 2021, 2% for 2022 & 2% for 2023.

- » SunSuper Group is paying 2.5% for 2021 (then a new agreement due)
- » HostPlus is paying 3.5% each year, for 2019-2021
- » UniSuper is paying 2.75% for 2019, and 3% each year for 2020-2022
- » Australian Super is paying 3.5% each year, for 2019-2022

Classification Range

Aware Super is proposing to have 'classifications' with a nominal salary range that new employees are likely (but not guaranteed) to start with a salary somewhere within that range. These ranges are have a spread of around \$20,000 to \$30,000 each and is determined by the 'market average' for that classification. Aware Super contracts a third party to provide what the 'labour market' for each classification in the banking industry is. This includes for-profit super companies, banks, insurance firms and other finance sector employers.

Employees may be paid within this range, or above or below this range. Each year **your classification range may increase, stay the same, or decrease**, depending on what the 'labour market' does in respect to this classification.



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For example, 'Labour Market Limited'* determines that the average within the Finance Sector 'labour market' for your classification is \$85,000 then the salary range for your classification, set unilaterally by Aware Super, would be around \$75,000-\$95,000 (or even \$70,000-\$100,000).

For employees other than 'core coverage', the company's proposal is **no basic pay rise unless you are earning less than the classification range**, and whose performance meets their manager's expectations in all areas, and whose remuneration is \$100,000 or more.

Managers will be able to provide 'discretionary' pay rises, instead of, or in addition to, the basic pay rise. This discretionary pay rise will be determined by local managers after reviewing

- » the labour market movement & your classification salary range (up or down)
- » their budget and the total money available for pay rises across everyone in their team; and
- » the annual performance review as set by, and assessed by, the same manager

Redundancy

While on paper there is no changes proposed, the majority of employees will only have access to an enforceable redundancy payment of maximum 16 weeks' pay (for 9-10 years of service) after which it's a maximum of 12 weeks' pay, with a week's pay being the 'safety net' award minimum rates and not your actual salary.

(Aware Super is proposing to maintain the current quantum of redundancy, but only through policy, (unless you're within core coverage) however workplace policies are usually not enforceable against an employer. Policies that can be enforced, are only available through expensive court cases using contract law – extra costly if you lose (even on a technicality) as you then pay the employer's legal costs too)

Hours of Work & Span of Hours

The Company is proposing that full time employees work 38 hours a week (no change) and the 'span of hours' be 7am – 8.30pm, Monday to Friday, and 8am-12pm Saturday. This is a change for VicSuper employees whose Span of Hours is currently 7am-6pm Mon-Fri.

The Span of Hours in awards and enterprise agreements usually determines when penalty rates should be paid, being a form of additional compensation for working abnormal hours, or hours that impact the usual time spent with family. This financial incentive is designed to both compensate an employee for missing out on personal/family time as well as putting a financial incentive onto employers to minimise the negative impacts of working hours on their employees.

Span of Hours & Overtime

The Company is proposing that overtime will only be available for employees within the 'core coverage', and only outside the Span of Hours.

The Safety Net Award, which sets the national minimum wages & conditions, sets overtime as



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being “All time worked at the direction of the employer outside (the employee’s) ordinary hours of work” on any particular day.

Under the Award, an employee who normally works 8am – 6pm Mon, Tues, Thur & Fri with one hours lunch break, and 8am-12pm Wednesdays, any work required to be formed past 6pm, or past midday on Wednesdays, is paid at overtime rates.

The company wants to limit this so that overtime is only payable after 8.30pm weeknights or Saturday afternoons or Sundays, regardless of how many hours were already worked on any one day or during any one week. This means that employees could potentially work up to 60 hours in any one week, with the company silent on whether the additional 22 hours worked is compensated by either money or equivalent time off. Potentially you could be expected to work these additional hours for free.

Employees covered by the Annexure or on contracts

When it comes to penalty rates, overtime, annual leave loading, & allowances, the **Company is proposing that your work be valued at the national minimum award rates.**

While all employees under the core coverage, like nearly every other employee in the country, will be paid penalty rates, overtime, allowances & annual leave loading as a percentage of their actual salary (because a percentage base is how the Commission has determined it should be calculated) the Company disagrees. The Company claimed during negotiations this year that the Fair Work Commission has set overtime

for everyone, regardless of their salary, at a maximum of 1.5 or 2 times the minimum award rate.

So even if you are paid \$180,000 a year as a Senior Claims Officer (\$91.09 per hour)** the Company has determined that it is the national minimum wage that it will use to calculate what overtime you should have been paid (but which is ‘rolled up’ into your common-law annualised salary). For a Senior Claims Officer, the ordinary hourly rate set in the award as the national minimum safety net amount, is \$26.66 per hour. So overtime is calculated by the Company as being worth \$39.99 an hour for the first two hours (time and a half, from the national minimum wage for this job in this sector) and \$53.32 per hour thereafter (double time from the national minimum wage for this job in this sector).

Most other employers would pay \$136.63 per hour for the first two hours, and then \$182.18 per hour thereafter.

*Fictional company, any similarity to any company, person or organisation, actual or imaginary, is purely coincidental

** This is not the accurate hourly rate for someone working 38 hours a week and earning \$180,000, but its close enough for the purposes of this example

