



Member Update August 2016

Cashing Out Annual Leave (in some circumstances only) and taking annual leave in advance, Farmers WHS Guide, Superannuation, Calculating Overtime for Casual Employees

On 29 July 2016 the Pastoral Industry Award (MA 000035) was amended to enable employers and employees to agree to the cashing out of annual leave on some occasions and also the ability to request taking annual leave in advance.

Attached are Schedule E and Schedule F of the Award which outline the processes for these applications to take place.

These changes take effect from 29 July 2016.

1. Cashing out Annual Leave

These changes however are subject to the following:

- a) at the time of the application the employee must have at least 4 weeks' annual leave remaining after the leave is cashed out;
- b) The maximum amount of accrued paid annual leave that may be cashed out in any period of 12 months is 2 weeks.
- c) completes and signs written agreement (Schedule F) and has the written approval of the employer;

2. Taking Annual Leave in advance

Employers and employees can now agree to the employee taking annual leave before it is accrued. The agreement must be in writing and completed on Schedule E of the Award which is to be, signed by both employee and employer, and must specify the start date of the leave and how much leave is being taken in advance.

Employers need to be aware when approving such applications that should the employee terminate his or her employment prior to the full entitlement of the leave taken in advance, that there will be sufficient entitlements due to time of termination, to cover the cost of leave taken in advance to which it is not an entitlement.

3. Excessive leave

Clause 23.4 of the Pastoral Award states that an employee is to be paid by electronic funds transfer (EFT) in accordance with their usual pay cycle while on paid annual leave.

An employer may however, agree pre-pay at the time of the employee commencing annual leave.

4. Leave Loading

Clause 23.5 states that “an employee must also be paid a loading calculated on the wages prescribed by this Award. This provision does not apply to piece-workers.”

This loading is 17.5% of the ordinary time i.e. the rate for 38 hours’ maximum (**NOT** inclusive of overtime).

5. Farmers' Work Health and Safety Guidebook

The various commodity representatives from Grain Producers South Australia, Livestock Producers South Australia, South Australian Dairy Farmers Association and, The Wine Grape Growers Council of SA over the last few months have worked closely in assisting SafeWork SA to produce this Guidebook which was funded by SafeWork SA.

A copy of this Guidebook can be found at this link

http://www.safework.sa.gov.au/uploaded_files/Farmers_Guidebook.pdf

Hard copies are also available from SafeWork SA; the commodities’ offices as are USB sticks. If you require either, please do not hesitate to contact us.

We highly recommend that members acquaint themselves with this Guidebook as it covers up-to-date information in relation to managing Work Health and Safety. Minimising risk of accidents and injuries also impacts on the employer’s bottom line because workers’ compensation claims now can result in Return to Work SA recovering wages for lost time (subject to capping) in addition to the industry levy. No claims and early return to work when claims occur reduce your workers’ compensation levy payments.

Should a claim be lodged be sure to notify your agent (Employers Mutual Ltd (“EML”) or Gallagher Bassett) within 5 working days. Failure to do so will result in the employer paying the first two weeks’ wages from the time the worker is away from work.

This Guidebook assists farmers in particular from induction to policies and procedures as well as being risk aware of potential injuries and accidents.

Farmers should establish who their workers’ compensation agent is in case accidents occur. The two agents are Employers Mutual Ltd and Gallagher Bassett Ltd.

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If an employer experiences a workplace injury, the employer will be liable for the first two weeks' pay unless they contact their agent within five business days of becoming aware of the injury.

6. Superannuation Guarantee Contribution

Currently the superannuation guarantee contribution is 9.5% of ordinary time earnings (it will increase in time to 12%). That is, over time is not included in the calculation. It is calculated the earnings of a maximum of 38 hours per week.

Generally, you have to pay superannuation for your employees if they are:

- a) 18 years old or over, and are paid \$450 or more (before tax) in a calendar month
- b) under 18 years old, being paid \$450 or more (before tax) in a calendar month and work more than 30 hours in a week.

This applies whether they work casual, part-time or, full-time hours, and if they are a temporary resident.

You also have to pay super for contractors if the contract is mainly for their labour, even if the contractor has an Australian business number (ABN).

7. Calculation of O/T for casuals

When calculating overtime for casual employees the casual loading (25%) does not attract overtime rates.

Overtime rate is based full-time hourly rate multiplied by time and a half or double time plus the casual loading is said to be added on.

For example, a PA 3 who is full-time earns \$18.91 per hour but a casual earns \$23.64 per hour because the casual loading in this case is \$4.73 (25% of \$18.91).

When calculating overtime for a full employee the following is an example of the method of calculation:

Piggery Attendant Lv 3 hourly rate	\$18.91
Overtime at Time and A Half	\$ 9.46
Total	\$28.37

If, however, the employee is a casual PA 3, you add 25% of the \$18.91 (\$4.73) to the full-time rate for overtime to reach a total of \$33.10 per hour.

You do **Not** multiply the casual rate of \$23.64 by time and a half or double time.

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A similar formula is used when the overtime is at double time by simply replacing the time and half (\$9.63) with double (\$19.25) and in the case of a casual you then add the 25% (\$4.82).

These examples are for a FLH 5 and the base rate changes for the other levels.

Schedule E Agreement to Take Annual Leave in Advance

[Sched E inserted by [PR583041](#) ppc 29Jul16]

Name of employee: _____

Name of employer: _____

The employer and employee agree that the employee will take a period of paid annual leave before the employee has accrued an entitlement to the leave:

The amount of leave to be taken in advance is: ____ hours/days

The leave in advance will commence on: ____/____/20__

Signature of employee: _____

Date signed: ____/____/20__

Name of employer representative: _____

Signature of employer representative: _____

Date signed: ____/____/20__

[If the employee is under 18 years of age - include:]

I agree that:

if, on termination of the employee's employment, the employee has not accrued an entitlement to all of a period of paid annual leave already taken under this agreement, then the employer may deduct from any money due to the employee on termination an amount equal to the amount that was paid to the employee in respect of any part of the period of annual leave taken in advance to which an entitlement has not been accrued.

Name of parent/guardian: _____

Signature of parent/guardian: _____

Date signed: ____/____/20__

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Schedule F—Agreement to Cash Out Annual Leave

[Sched F inserted by [PR583041](#) ppc 29Jul16]

Name of employee: _____

Name of employer: _____

The employer and employee agree to the employee cashing out a particular amount of the employee's accrued paid annual leave:

The amount of leave to be cashed out is: ____ hours/days

The payment to be made to the employee for the leave is: \$_____ subject to deduction of income tax/after deduction of income tax (strike out where not applicable)

The payment will be made to the employee on: ____/____/20____

Signature of employee: _____

Date signed: ____/____/20____

Name of employer representative: _____

Signature of employer representative: _____

Date signed: ____/____/20____

Include if the employee is under 18 years of age:

Name of parent/guardian: _____

Signature of parent/guardian: _____

Date signed: ____/____/20____