









### **Calculations required for each pay period:**

You must check your employee's entitlement to shift allowance and calculate their salary for every pay period since their last salary review.

### **Step 1: Find the right information**

The first step is to note down the following information from your pay system.

#### **(Annual) Salary and recognised allowances.**

You will need information about your employee's annual salary and entitlements to any allowances at the end of each pay period since the last salary review.

#### **Example:**

Chris is a PSS member. He had a basic salary of \$70,000 up to and including the pay period ending on 15 May 2019, and then received a pay rise which brought the basic salary to \$75,000 on 27 May 2019. Chris' salary entitlements would be as follows:

Pay period	Salary
01/05/2019- 15/05/2019	\$70000
16/05/2019 – 29/05/2019	\$75000

#### **Amount of shift allowance paid**

This is the amount of shift allowance that your employee was entitled to be paid for work performed in the pay period. If shift allowance is paid with a delay in your organisation you will need to pay careful attention to the employee's roster to ensure that you are calculating based on the dates that the work was performed, rather than the dates that the allowance was paid.

If your employee was paid shift allowance at different rates through the year, you will also need the number of hours that attracted shift allowance payments during the pay period.

#### **12 month period start date**

This is the date 12 months before that day that you are looking at. Don't forget to consider any disregarded periods of leave and how that may impact the 12 month period – refer to page 2 of this guide for more information.

### **Step 2: Determine your employee's eligibility**

Shift allowance should only be included in your employee's super salary where it has been payable for 75% of the included pay periods between the start of the 12 month period and the end of the pay period being examined.

If this test has not been met, the super salary will be your employee's annual salary and recognised allowances at the time. Shift allowance cannot be included.

### Step 3: Calculate salary components

Super salary is the lowest of **A x B** and **C + D**. Please refer to the super salary calculation section of this guide for more information.

### Step 4: Calculate the super salary for each pay period

Determine the employee's super salary for each pay period.

The order of determinations that you need to make for each pay period is:

1. Was the employee's period of membership greater than 12 months prior to the end date of the pay period in question?
  - a. If NO, the employee's super salary will be the sum of their annual basic salary plus any recognised allowances;
  - b. If YES, proceed to the next step
2. Was the employee entitled to receive shift allowance in 75% of the pay periods during the eligibility period?
  - a. If NO, the employee's super salary will be the sum of their annual basic salary plus any recognised allowances;
  - b. If YES, proceed to the next step
3. Was the result of  $A \times B$  lower than the result of  $C + D$ ?
  - a. If YES, the employee's super salary is the result of  $A \times B$ ;
  - b. If NO, the employee's super salary is the result of  $C + D$

### Step 5: Completing the salary review.

Identify your employee's super salary for each pay period between their last birthday and the current review date.

Take note of each reduction point – any point in time where there has been a reduction in your employee's super salary. You may find that there are a number of reductions between the last birthday review and the current review. You will need to perform a salary maintenance calculation for the reduction point with the highest pre-reduction salary in each AWOTE period.

You don't need to perform a salary maintenance calculation for every reduction. Refer to the Salary Reductions section on page 4 of this guide for more information.



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