



Australian Hotels Association  
WESTERN AUSTRALIA

## WORKPLACE RELATIONS FACT SHEET

### LOADED RATES

On Friday, 3 September 2021, the Fair Work Commission agreed to vary the *Hospitality Industry (General) Award 2020 (Award)* and include a new schedule which will provide employers with an optional simplified pay arrangement in the form of loaded rates (**Schedule K**).

A copy of Schedule K can be accessed by clicking [here](#).

#### Who does Schedule K apply to?

Schedule K only applies to full time employees classified as Wage Level 3 or above.

#### What is a Loaded Rate Percentage?

Schedule K provides for the payment of a percentage amount above an employee's ordinary hourly rate in satisfaction of the requirement to pay:

- split shift allowance (clause 26.14(b)(i) of the Award);
- overtime (clause 28 of the Award), excluding 28.2(d) to (f) of the Award; and
- penalty rates (clause 29 of the Award), except for penalty rates in relation to public holidays.

The percentages are based on a set number of hours (**Maximum Weekly Hours**) worked over a range of days (**Loaded Rate Range of Days**):

Loaded Rate Percentage (% of ordinary hourly rate)	Loaded Rate Range of Days	Loaded Rate Maximum Weekly Hours
110.20	Monday to Friday	40
120.00	Monday to Friday	45
116.95	Monday to Saturday	40
123.40	Monday to Saturday	45
126.85	Monday to Sunday	40
131.05	Monday to Sunday	45

The following table outlines the dollar value for Wage Level 3 and up based on the Loaded Rate Percentages:

	<b>Loaded Rate Percentages</b>					
	<b>110.20%</b>	<b>120.00%</b>	<b>116.95%</b>	<b>123.40%</b>	<b>126.85%</b>	<b>131.05%</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Level 3</b>	\$24.16	\$26.30	\$25.64	\$27.05	\$27.81	\$28.73
<b>Level 4</b>	\$25.45	\$27.71	\$27.00	\$28.50	\$29.29	\$30.26
<b>Level 5</b>	\$27.04	\$29.45	\$28.70	\$30.28	\$31.13	\$32.16
<b>Level 6</b>	\$27.77	\$30.24	\$29.47	\$31.10	\$31.97	\$33.02

Please note, a separate table was also prepared for casino gaming employees which is contained at clause K.5.3 of Schedule K.

Separately, these rates will increase on 1 November 2021 in accordance with the Annual Wage Review 2020-21 decision.

#### **How do I know when to apply the Loaded Rate Percentages?**

The Loaded Rate Percentages will only apply on the basis the Loaded Rate Parameters are complied with.

Clause K.4 of Schedule K defines the Loaded Rate Parameters. The Loaded Rate Parameters are:

- The roster cycle must operate weekly commencing on a Monday;
- Between Monday to Friday:
  - Maximum of 11.5 hours (excluding meal breaks) per day;
  - Shift rostered between 7:00am and 12:00am (midnight);
- On Saturday:
  - a maximum of 10 hours (excluding meal breaks);
- On Sunday:
  - a maximum of 10 hours (excluding meal breaks); and
- If the period between shifts is *3 hours or less*, a split shift allowance must be paid.

#### **What happens if an employee is rostered outside of the Loaded Rate Parameters?**

The employee is entitled to payment of the applicable penalty rate or allowance in accordance with the Award.

For example, an employee will be entitled to overtime in accordance with clause 28 of the Award for work which exceeds the:

- daily and/or shift maximum hours;
- Loaded Rate Range of Days; or
- the Loaded Rate Maximum Weekly Hours each week.

#### **Do the hours worked on public holiday count towards the Loaded Rate Maximum Weekly Hours?**

Yes. The hours worked on a public holiday are counted for the purposes of an employee's Loaded Rate Maximum Weekly Hours.

### **For work performed on a public holiday, do I just pay the Loaded Rate amount?**

No. An employee will be entitled to payment of the relevant penalty rate and the applicable entitlements for working on a public holiday as outlined in the Award.

### **What do I have to do if I want to pay eligible employees under Schedule K?**

Clause K.7 of Schedule K requires that at least 7 days prior to initiating any of the Schedule K provisions, an employer consult with affected employees. An employee's agreement is not required for a Loaded Rate Arrangement to come into effect.

Consultation in this regard will require speaking to employees and advising them about the business' decision to implement a Loaded Rate Arrangement and addressing concerns raised by the employees in a timely manner.

### **What type of paperwork do I need to complete?**

Employers will need to ensure they have completed the 'Schedule L – Loaded Rate Arrangement Form' (**Form**) at the time of entering into a Loaded Rate Arrangement.

It is important the Form to be completed and kept as it constitutes a time and wage record.

A copy of the Form can be accessed by clicking [here](#).

### **What if I decide I no longer want to pay my employee under Schedule K?**

Clause K.2.5 of Schedule K outlines a Loaded Rate Arrangement can be terminated:

- at any time by written agreement between the employer and employee; or
- by an employer providing 2 weeks' written notice to the employee of the employer's intention to terminate the arrangement. A Loaded Rates Arrangement terminated at the employer's initiative will cease to have effect at the end of the notice period.

### **Is Schedule K mandatory?**

No. Schedule K is optional. An employer can elect if they want to 'opt in' to a Loaded Rates Arrangement.

### **Further Information**

For further information regarding Schedule K, please contact the Workplace Relations Team on (08) 9321 7701.

#### **DISCLAIMER**

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