

# Checklist: Managing Annual Salaries the Right Way

This checklist helps employers ensure annual salaries comply with Award and Fair Work requirements.

## Before you start

### Understand your obligations

- Identify which Awards apply to your salaried employees.
- Confirm which entitlements (penalties, overtime, allowances) the Award requires.
- Check that each pay period meets the Award minimums.

### Review contracts

- Ensure contracts reference the relevant Award.
- Clearly outline what the salary covers (ordinary hours, reasonable additional hours).
- Include a clause requiring time records to be maintained.

### Set up timekeeping

- Introduce a consistent process for recording hours, whether it's digital or manual.
- Train staff on why time recording matters.
- Regularly audit timesheets for accuracy.

## Ongoing compliance

### Each pay period

- Compare actual hours worked to Award entitlements.
- Identify and correct any shortfalls in that pay cycle.
- Retain time and pay records for at least 7 years.

### Periodic review

- Reassess salary levels annually or after Award increases.
- Update contracts when roles, hours, or Awards change.
- Keep management and payroll teams informed of new rulings.

## Best practice reminders

- Pay each pay period based on actual hours worked.
- Keep timesheets for all employees (no exceptions!)
- Review salaries and contracts regularly.
- Seek HR or legal advice before implementing changes.