

When calculating your amount of redundancy pay, the following rules apply:

119 Redundancy pay

Amount of redundancy pay

- (2) The amount of the redundancy pay equals the total amount payable to the employee for the redundancy pay period worked out using the following table at the employee's base rate of pay for his or her ordinary hours of work:

| Redundancy pay period | | |
|------------------------------|---|------------------------------|
| | Employee's period of continuous service with the employer on termination | Redundancy pay period |
| 1 | At least 1 year but less than 2 years | 4 weeks |
| 2 | At least 2 years but less than 3 years | 6 weeks |
| 3 | At least 3 years but less than 4 years | 7 weeks |
| 4 | At least 4 years but less than 5 years | 8 weeks |
| 5 | At least 5 years but less than 6 years | 10 weeks |
| 6 | At least 6 years but less than 7 years | 11 weeks |
| 7 | At least 7 years but less than 8 years | 13 weeks |
| 8 | At least 8 years but less than 9 years | 14 weeks |
| 9 | At least 9 years but less than 10 years | 16 weeks |
| 10 | At least 10 years | 12 weeks |

- (3) A reference in this section to continuous service with the employer does not include periods of employment as a casual employee of the employer.

120 Variation of redundancy pay for other employment or incapacity to pay

- (1) This section applies if:
- (a) an employee is entitled to be paid an amount of redundancy pay by the employer because of section 119; and
 - (b) the employer:
 - (i) obtains other acceptable employment for the employee; or
 - (ii) cannot pay the amount.
- (2) On application by the employer, the FWC may determine that the amount of redundancy pay is reduced to a specified amount (which may be nil) that the FWC considers appropriate.
- (3) The amount of redundancy pay to which the employee is entitled under section 119 is the reduced amount specified in the determination.

16 Meaning of *base rate of pay*

General meaning

- (1) The ***base rate of pay*** of a national system employee is the rate of pay payable to the employee for his or her ordinary hours of work, but not including any of the following:
- (a) incentive-based payments and bonuses;
 - (b) loadings;
 - (c) monetary allowances;
 - (d) overtime or penalty rates;
 - (e) any other separately identifiable amounts.

20 Meaning of *ordinary hours of work* for award/agreement free employees

Regulations may prescribe usual weekly hours

- (4) For an award/agreement free employee who is not a full-time employee and who does not have usual weekly hours of work, the regulations may prescribe, or provide for the determination of, hours that are taken to be the employee's usual weekly hours of work for the purposes of subsections (2) and (3).

1.11 Meaning of *ordinary hours of work* for award/agreement free employees

- (1) For subsection 20(4) of the Act, this regulation provides for the determination of hours that are taken to be the usual weekly hours of work of an award/agreement free employee who:
- (a) is not a full-time employee; and
 - (b) does not have usual weekly hours of work.

Note: Under section 20 of the Act, the usual weekly hours of work of an award/agreement free employee are relevant to establishing the employee's ordinary hours of work.

- (2) To work out the usual weekly hours of work for an employee who has been employed by the employer for at least 4 weeks:
- (a) identify the total number of hours that the employee has worked during the previous 4 completed weeks; and
 - (b) divide the result by 4.
- (3) To work out the usual weekly hours of work for an employee who has been employed by the employer for less than 4 weeks:
- (a) identify the total number of hours that the employee has worked during the period; and
 - (b) divide the result by the number of completed weeks for which the employee has been employed by the employer.

120 Variation of redundancy pay for other employment or incapacity to pay

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| | <ul style="list-style-type: none">(1) This section applies if:<ul style="list-style-type: none">(a) an employee is entitled to be paid an amount of redundancy pay by the employer because of section 119; and(b) the employer:<ul style="list-style-type: none">(i) obtains other acceptable employment for the employee; or(ii) cannot pay the amount.(2) On application by the employer, the FWC may determine that the amount of redundancy pay is reduced to a specified amount (which may be nil) that the FWC considers appropriate.(3) The amount of redundancy pay to which the employee is entitled under section 119 is the reduced amount specified in the determination. |
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*You may use the FWO online calculator to compare:
<https://calculate.fairwork.gov.au/EndingEmployment>.*