



## Using Ordinary Time Earnings to Calculate the Super Guarantee

### What are Ordinary Time Earnings?

Ordinary time earnings are generally what your employees earn for their ordinary hours of work, including:

- over-award payments
- certain bonuses
- commissions
- shift-loading, and
- certain allowances.

### Excluding:

- a payment for unused sick leave
- an unused annual leave payment or unused long service leave payment

### Overtime Payments

Payments for work performed during hours outside an employee's ordinary hours of work are not OTE. This applies whether:

- the payment are calculated at an hourly rate
- the employee gets a specific loading
- the payments are calculated as an annualised or lump sum component of a total salary package, that is expressly referable to overtime hours as remuneration for overtime hours worked.

However, where overtime amounts cannot be distinctly identified, the hours actually worked will be included in ordinary hours of work.

## Checklist for Salary or Wages and Ordinary Time Earnings

Payment Type	Salary or Wages	Ordinary Time Earnings
<b>Awards and agreements</b>		
Overtime hours - award stipulates ordinary hours to be worked and employee works additional hours for which they are paid overtime rates	Yes	No
Overtime hours – agreement prevailing over award	Yes	No
Agreement supplanting award removes distinction between ordinary hours and other hours	Yes	Yes
No ordinary hours of work stipulated	Yes	Yes
Casual Employee - Shift loading	Yes	Yes
Casual Employee – Overtime payments	Yes	No
Casual employee whose hours are paid at overtime rates due to a 'bandwidth' clause	Yes	No
Piece-rates – no ordinary hours of work stipulated	Yes	Yes
Overtime component of earnings based on 'hourly driving rate' formula stipulated in award	Yes	No
<b>Allowances</b>		
Allowance by way of unconditional extra payment	Yes	Yes
Expense allowance expected to be fully expended	No	No
Danger allowance	Yes	Yes
Retention allowance	Yes	Yes
Hourly on-call allowance in relation to ordinary hours of work for doctors	Yes	Yes
<b>Payment of expenses</b>		
Reimbursement	No	No
Petty cash	No	No
Reimbursement of travel costs	No	No
Payments for unfair dismissal	No	No
Workers' compensation - returned to work	Yes	Yes
Workers' compensation - not working	No	No
<b>Leave payment</b>		
Annual leave when taken as part of normal working period	Yes	Yes
Parental leave – maternity, paternity and adoption leave	No	No
Ancillary leave – eg jury duty, defence forces reserves leave	No	No
<b>Termination payments</b>		
In lieu of notice	Yes	No
Unused annual leave	Yes	No
<b>Bonuses</b>		
Performance bonus	Yes	Yes
Bonus labeled as ex gratia but in respect of ordinary hours of work	Yes	Yes
Christmas Bonus	Yes	Yes
Bonus in respect of overtime only	Yes	No