Individual Flexibility Agreements (IFA’s)

|  |
| --- |
| **NOTE:** This IFA template is specific only to those employed as a Farm and Livestock Hand (FLH L1- FLHL8) under the [Pastoral Award 2010](https://www.fwc.gov.au/documents/documents/modern_awards/award/ma000035/ma000035-30.htm#TopOfPage). |

An agreement to pay a flat rate of pay for all hours worked, will be a breach of the award and can lead to a claim for underpayment of wages unless it is formalised by way of an IFA or a formal Enterprise Agreement.

Make sure you follow the step below to complete a formal IFA correctly.

1. The Employer or Employee decides they would like an IFA and must put their request in writing. See the [IFA letter of offer template](http://www.peopleinag.com.au/media/1091/ifa_letter_of_offer.docx).
2. Make sure that the IFA only varies the following work conditions:
* working hours
* overtime rates
* penalty rates
* allowances and
* annual leave loading
1. Discuss the IFA with your employee
2. Make sure that the employee is better off overall under the the IFA than they would be under the relevant award. Use the flat pay calculator below to help make sure your IFA passes the BOOT.

**Flat rates of pay and the calculator**

Both IFAs and enterprise agreements can allow for the payment of a flat rate of pay for all hours worked regardless of the hours or day of the week. Use the flat rate pay calculator to help you calculate a rate for employees and make sure your agreement passes the Better off Overall Test (BOOT).

**Passing the BOOT**

Using the flat rate calculator, it is fairly easy to work out a flat pay rate for full-time employees that takes into account overtime and penalty rates. The agreed rate must pass the Better off Overall Test (BOOT) to ensure that the employee is better off overall compared with the award.

Once you have determined the relevant minimum amounts of pay required by law and any other benefits which you may be able to provide, you can begin to work out a package.

Remember, the template IFA and the flat rate calculator are specifically designed only for those employed as Farm and Livestock Hands (FLH L1- FLHL8) under the [Pastoral Award 2010](https://www.fwc.gov.au/documents/documents/modern_awards/award/ma000035/ma000035-30.htm#TopOfPage).

**How to use the flat pay rate calculator**

1. Enter the minimum hourly rate for the position, based on the classification.
2. The number of ordinary hours is already entered. It is assumed to be 38 hours as specified in the Pastoral Award 2010 for Farm and Livestock Hand (FLH) workers.
3. Enter the overtime hours.
4. Enter any hours worked on Sundays that were after the employee had exceeded 152 hours within a 4-week period.
5. Enter number of hours and days rostered to work on public holidays over 12 months.
6. The average hourly rate will be calculated. This rate is the minimum that needs to be paid to pass the BOOT test.

On the following page you find an example of a flat rate of pay ($23.01), calculated using the calculator, for an employee classified as an FLH5 (senior farm hand) at a minimum hourly rate of $19.25 (as of July 1 2016)

|  |  |  |  |
| --- | --- | --- | --- |
| FLAT PAY RATE CALCULATOR |  |  |  |
| Minimum hourly rate for the classification |   |   | $19.25 |
|   | No. hours | Rate | Total |
| Ordinary hours per week | 38 | 1 | $731.50 |
| Sunday > 152 hrs/4 wks | 4 | 2 | $154.00 |
| Overtime hours | 13 | 1.5 | $375.38 |
| Total hours per week  | 55 |   |   |
| Average hourly rate with overtime |   |   | $22.93 |
| No. public holidays worked and hours/day | 3 | 5 | $289 |
| **Total annual salary**  |   |   | $64,249 |
| **Total hours** | 2792 |   |   |
| **Average hourly rate** |   |   | $23.01 |

**CALCULATING A FLAT RATE OF PAY**

**How to use this calculator**

1. Find the minimum hourly rate for the position on the <https://calculate.fairwork.gov.au/FindYourAward> website and enter this amount in the YELLOW BOX.
2. The number of ordinary hours cannot exceed 38 hours per week averaged over a 4-week period
3. Enter the overtime hours.
4. Enter any hours worked on Sundays after exceeding 152 hours within a 4-week period.
5. Enter the number of hours and days rostered to work on public holidays over 12 months.
6. The average hourly rate will be calculated. This is the minimum needed to be paid to pass the BOOT test.
7. Copy and paste your calculations into the IFA, including the signature place markers for the signature of the employer and the employee

Double click the table below to edit it, or right click and select “Workshop Object > Open” to open it in Microsoft Excel (recommended)

