



Factsheet:

Illegal pay deductions

Deductions are amounts taken out of your wages. Your employer may only make deductions from your wages if it is permitted by your award or enterprise agreement, authorised in writing (see below for details) or allowed under other legislation (such as tax, child support or a court order).

Deductions permitted by your modern award

Your award only allows deductions for voluntary superannuation contributions. This means that unless it is provided by law (as in the deduction of tax), in a court order or authorised by you (as detailed below) your employer may not deduct any amount from your wages for any other reason.

For more information about voluntary superannuation contributions, see the superannuation clause of your modern award.

Uniforms and property

Your employer might provide you with a uniform which you will be required to wear or reimburse you for the cost of you purchasing a uniform.

A uniform is defined as a certain style of clothing. So, if your employer issues you a direction about wearing a certain style of clothing and/or colour of clothing, this will also usually be deemed to be a uniform.

Your employer cannot deduct or charge you for the cost of your uniform.

Deductions authorised by your employee

Wage deductions that are authorised by you in writing are only allowed if they benefit you. For example, allowable deductions include:

- Salary sacrifice arrangements
- Payments into your health fund

Generally speaking, your employer may only make a deduction from your pay if:

- it is for your benefit
- it is reasonable
- you have agreed in writing
- if you are under 18 years old, your guardian or parent has authorised the deduction in writing.

Deductions from your wages are not allowed to be made if they directly or indirectly benefit your employer.

Permitted deductions

Your employer is allowed to make a deduction from your pay if:

- You agreed in writing and the deduction is principally for your benefit, or
- You authorised the deduction in accordance with an enterprise agreement, or
- The deduction is authorised by or under a modern award, a pre-modern award (federal award, NAPSA, or transitional award), or an order of the Fair Work Commission, or
- The deduction is authorised by or under a Commonwealth, State or Territory law or an order of a court.



Generally speaking, even if the deduction is authorised by an enterprise agreement or award as set out above, your employer cannot make a deduction from your pay if:

- the deduction is for the benefit of your employer or someone related to the employer and is unreasonable in the circumstances, or
- you are under 18 years of age and your guardian or parent has not authorised the deduction in writing.

Useful websites and contacts

Fair Work Ombudsman

Hotline: 13 13 94 www.fairwork.gov.au

Work Cover NSW

Hotline: 13 10 50 www.workcover.nsw.gov.au

NSW Industrial Relations

Hotline: 131 628 www.industrialrelations.nsw.gov.au



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