

NOT SO SUPER - TELSTRA CUTS TAKE HOME PAY

BULLETIN 9

1 / 8 / 2008

If you glanced over the email being sent to staff about superannuation changes at Telstra, you might think that Human Resources is doing you a favour!

Legislative changes to superannuation mean super must now be paid on short term incentives (STI), sales commissions and job points payments. The changes occur under new legislation making sure employers pay super on all parts of salary.

Unions raised the unfairness of superannuation for AWA staff in discussions with Telstra for a new enterprise

agreement. Telstra hasn't been paying super on performance pay – which can be 20% or more of salary.

So, the changes should be a positive. But some staff have been advised their take home pay could fall. How can this happen? Because Telstra's AWAs have a total remuneration amount rather than, as some companies do, listing base salary + allowances + superannuation. Telstra says "If the superannuation component of your total package increases or decreases, then your pay components will be adjusted within your Total Remuneration package."

How the superannuation changes impact the pay of a Telstra employee on an AWA (example of a real call centre worker with 20% of pay based on performance):

	Before super changes	After super changes
Total remuneration	\$48,000	\$48,000
Base salary	\$40,000	\$40,000
Performance related payments	\$8,000	\$8,000
Less super contributions	\$40,000 x 9% = \$3600	\$48,000 x 9% = \$4320
Base take home pay including performance pay (pre-tax)	\$44,400	\$43,680

The difference: \$720 a year or \$3600 over 5 years

What you say

Members have started contacting us about the validity of this decision.

One said: Employers are now required to pay super on commission. Sounds good doesn't it. However, Telstra have advised that they will be deducting the extra super that they are now required to pay, from our commission. ie if we earn \$1000 per month in commission, they will now pay us \$910 and put the \$90 into our super. Can they do this? It doesn't sound right to me.

Another wrote: My reading of this is that the government is raising the employers super contribution requirements and Telstra rather than finding the measly \$171 extra they have to pay on my behalf according to payroll are reducing my take home pay by that amount to pretend they are complying with super legislation. This action is not in the spirit of super legislation. Of greater concern is that apparently Telstra can reduce my take home pay anytime they like without my consent

What can I do?

If you need help working out if you have been affected, contact your union delegate or email us on Telstra@actu.asn.au

EA update: Telstra HR refuses to go back to the table

Two weeks ago, Telstra human resources unilaterally broke off negotiations with unions and the ACTU about your new enterprise agreement (EA). We have written to Sol Trujillo reiterating that, at any stage and with no preconditions, we are willing to re-enter EA negotiations. We offered Human Resources two meeting dates, which they declined.

Unions remain keen to get back to the table, so we can take up issues that are important to you like superannuation, a fair pay increase, salary sacrificing for all employees, and the retention of current redundancy entitlements. We're also putting the case for you to get more control over your work at Telstra. Although Telstra HR has called off talks, we remain as always ready and willing to represent you in negotiations

