

# ANNUALISED SALARY COMPLIANCE SELF-ASSESSMENT

Circle which option best suits your organisation to understand how strong your compliance is.

Compliance area	Rating	Notes
<b>Annualised arrangements are permitted under each applicable award or agreement</b>	<p><b>A.</b> Definitely true</p> <p><b>B.</b> Partially true</p> <p><b>C.</b> Definitely not true or unsure</p>	Not every role covered by a Modern Award can enter into an annualised salary agreement. Check the <a href="#">Fair Work Ombudsman</a> to see what roles in your industry are covered.
<b>Written agreement with the calculation method for all employees</b>	<p><b>A.</b> Definitely true</p> <p><b>B.</b> Partially true</p> <p><b>C.</b> Definitely not true or unsure</p>	This can be tricky — as employees move roles or join your business, you need to ensure that you have up-to-date records of any annualised salary agreements in place.
<b>Documented maximum hours and penalties or overtime for annualised salaries</b>	<p><b>A.</b> Definitely true</p> <p><b>B.</b> Partially true</p> <p><b>C.</b> Definitely not true or unsure</p>	Your annualised salary agreement needs to outline what the maximum hours, overtime and penalties are per pay period.
<b>An accurate time recording system is in place</b>	<p><b>A.</b> Definitely true</p> <p><b>B.</b> Partially true</p> <p><b>C.</b> Definitely not true or unsure</p>	Do you have a system in place to record start, finish and break times for all employees on annualised salaries?
<b>Pay period compliance checks performed</b>	<p><b>A.</b> Definitely true</p> <p><b>B.</b> Partially true</p> <p><b>C.</b> Definitely not true or unsure</p>	The 2025 Federal Court ruling clarified that employers must ensure individual pay periods don't fall short of entitlements. This includes monitoring hours against the agreed maximum.
<b>Annual reconciliation completed</b>	<p><b>A.</b> Definitely true</p> <p><b>B.</b> Partially true</p> <p><b>C.</b> Definitely not true or unsure</p>	Employers need to compare the amount that would have been paid under the award with the actual payment made and pay any shortfall.
<b>Record retention meets legal requirements</b>	<p><b>A.</b> Definitely true</p> <p><b>B.</b> Partially true</p> <p><b>C.</b> Definitely not true or unsure</p>	You must keep all records for seven years, including time records, pay calculations and agreements.
<b>Pay slips are compliant with wage requirements</b>	<p><b>A.</b> Definitely true</p> <p><b>B.</b> Partially true</p> <p><b>C.</b> Definitely not true or unsure</p>	Ensure each pay slip includes calculations.



## How to interpret your results

### Mainly A — low risk

Great job, it sounds like you're monitoring your annualised salary agreements carefully to ensure ongoing compliance. However, it's important to remember that this isn't a guarantee. Regular reviews of your systems are essential to ensure everything remains compliant and to address any potential changes that may arise. Keep up the good work!

### Mainly B — moderate risk

You have some pieces in place to support compliance, but they may be outdated or incomplete. Use our Annualised Salary Compliance Guidebook to learn how to strengthen your compliance, and consider whether you have outgrown your current payroll and workforce management solutions.

### Mainly C — high risk

It sounds like you need to strengthen your employee arrangements urgently. Without having documented systems and records relating to annualised salary management, you risk penalties for non-compliance. Consider talking to a payroll and workforce management provider like ADP, which can help your business navigate payroll and workforce management compliance.