Remuneration and Benefits Policy (MPF1223)

1. Objectives

1.1 The objectives of this Policy are to:

a) outline the University of Melbourne's (**University**) position, principles and governance settings for remuneration and benefits (or collectively '**reward/s**')
b) define the framework for determining base remuneration and discretionary Supplementary Payments
c) support the review and implementation of remuneration outcomes
d) ensure remuneration practices align with the University's strategic goals, financial position and long-term sustainability
e) promote fair and equitable remuneration practices that are market-informed, adaptable and supportive of a resilient workforce

2. Scope

2.1 This Policy applies to all University of Melbourne employees.

3. Authority

3.1 This Policy is established pursuant to the *University of Melbourne Act 2009* (Vic) and the *Vice-Chancellor Regulations* and supports compliance with the following instruments, as amended from time to time:

a) Enterprise Agreement
b) Superannuation Guarantee (Administration) Act 1992
c) *Fair Work Act 2009*

4. Policy

Guiding principles

4.1 Remuneration decisions for University employees will have regard to the following guiding principles:

a) **Fairness and internal equity**: remuneration decisions are consistent, based on merit, performance, job requirements and free from discrimination or bias
b) **Market competitiveness**: maintain competitive remuneration structures informed by market data to attract, retain and engage talent
c) **Strategic alignment:** reward practices are aligned with the University's strategy, values and overall performance
d) **Sustainability**: balance rewards with the financial sustainability of the University
e) **Transparency**: provide clear and accessible reward structures through a transparent framework that supports employee growth and career development
f) **Compliance and integrity**: adherence to relevant legislation, policies and governance standards to ensure ethical and compliant reward practices

Remuneration components and application

4.2 Remuneration comprises base salary, Supplementary Payments (where applicable), and superannuation.

4.3 Base salary rates for academic and professional employees to whom the Enterprise Agreement (**EA**) applies are detailed by classifications in Schedule A of the EA.

4.4 Fixed Annual Remuneration (**FAR**) for employees to whom the EA does not apply is determined through individual employment arrangements.

4.5 The University may provide Supplementary Payments to employees (where approved) including payments above, in additional to, or separate from:

a) base salary and/or provisioned entitlements for EA employees;
b) FAR, for non-EA employees.

4.6 Supplementary Payments are categorised as follows:

a) *Committed Additional Payments*: payments approved for a defined fixed period, typically linked to specific circumstances, with continuation contingent on formal periodic review and subsequent approval at defined intervals
b) *Discretionary Payments*: ad hoc one-off payments that may be granted at the University's discretion, typically exceptional in application (e.g. bonuses, retention payments, or other non-recurring payments)
c) *Other Conditional Payments*: other payments as outlined in the EA, or as otherwise may be applied from time to time for non-EA employees.

4.7 All remuneration adjustments apply prospectively and must take effect from a specified future date.

Remuneration review cycle

4.8 For employees covered by the EA:

a) remuneration is adjusted through incremental progression at the employee's classification anniversary date, in accordance with the provisions of the EA
b) the classification anniversary date is the later date of which the Employee:

i. commenced employment with the University; or
ii. commenced at a higher classification following reclassification, accelerated incremental progression, promotion, or transfer to a new position

c) scheduled salary increases are applied in accordance with the EA

4.9 Employees not covered by the EA may be eligible to participate in an Annual Remuneration Review (**ARR**) around the first quarter of each calendar year, with any resulting adjustments subject to approval by the Vice-Chancellor and where required, the University Council. This process is outlined in the ARR Procedure (MPF TBC).

4.10 A non-EA employee is eligible for participation in the ARR for the preceding performance period, 1 January to 31 December each year, provided the employee:

a) commences employment in a non-EA position prior to 1 October of the performance period
b) works a minimum of six months of the performance period
c) has an employment contract exceeding 18 months duration
d) has a performance rating recorded and endorsed
e) is employed at the date the potential remuneration adjustments are implemented (around April the following year)

4.11 Changes outside the Remuneration Cycle are subject to the processes outlined in the Out of Cycle Remuneration Adjustments Procedure and the Supplementary Payments Procedure.

4.12 Supplementary Payments may be applied outside the standard Remuneration Cycle, where justified by operational or organisational requirements and must be approved in accordance with the Out of Cycle Remuneration Adjustments Procedure, Supplementary Payments Procedure, or other relevant University policies or procedures.

Superannuation

4.13 The Employer Superannuation Contributions rate and the earnings base upon which the applicable rate is determined are dependent on the type of employment. Broadly, this is 17 per cent of Base Salary or the prevailing Superannuation Guarantee (**SG**) rate of Qualifying Earnings.

4.14 To the extent the University's superannuation contributions exceed the statutory SG requirements, e.g. 17 per cent of Base Salary for EA employees – this satisfies the University's SG obligations in respect of the employee.

4.15 The University may apply a top-up to contribution to meet the statutory SG requirements in certain instances, such as, but not limited to, where an employee receives a discretionary payment that does not comprise Base Salary for the purpose for the EA but comprises Qualifying Earnings for the SG.

4.16 The Maximum Contribution Base (**MCB**) sets the maximum earnings threshold for SG contribution obligations for employers; where the MCB is:

a) not exceeded, a top up may be required;
b) is exceeded, no SG top-up is required on amounts above the MCB cap.

4.17 Employees covered under the EA are subject to superannuation arrangements set out in the EA.

4.18 Non-EA employees are subject to superannuation provisions outlined in the *Superannuation Guarantee (Administration) Act 1992 .*

Employee benefits

4.19 The University provides sector-leading benefits. These include, but are not limited to, options for salary packaging, access to the Staff Welfare Fund, various staff discounts and Professional Accreditation/ Membership subscriptions. Eligibility and details on University Employee Benefits are available in the Employee Benefits Procedure and on Staff benefits : Staff Hub.

Pay Queries

4.20 There is a shared responsibility on the part of the employee, the relevant budget division, Human Resources and Payroll (on behalf of the University) to raise and effectively resolve pay queries in a timely manner.

4.21 An employee who believes their pay may be incorrect should immediately contact either their Manager, HR team member, HR Assist to ensure the underpayment can be expeditiously investigated and, if required, remedied.

4.22 Where the University has detected an overpayment the mutually agreed method and schedule of repayment will be managed by the Payroll Team with the employee and, if required, HR team member on a case-by-case basis.

Procedures

4.23 The Procedures supporting this Policy include:

a) Supplementary Payments Procedure – All Employees (NEW)
b) Out of Cycle Remuneration Adjustments Procedure – All Employees (NEW)
c) Annual Remuneration Review Procedure (NEW)
d) Employee Benefits Procedure – All Employees (NEW);

5. Roles and responsibilities

5.1 Roles and responsibilities are performed as required by the nominated authorised officer under the University's Vice-Chancellor's Instrument of Delegation, unless otherwise specified

6. Definitions

Term	Definition
Accelerated Increment	The expedited award of a higher increment point within the relevant classification than the following applicable increment point, due on the employee's anniversary date, where the employee's performance is assessed as 'exceeding expectations' (for academic employees) or 'outstanding' (for professional employees).
Employer Superannuation Contributions	The superannuation contributions paid by the University, into a complying superannuation fund on behalf of an employee, determined in accordance with legislative requirements, the EA and University policy. These contributions comprise: a) the statutory SG – the legislated minimum contribution rate (currently 12 per cent of eligible earnings); and/or b) additional employer superannuation contributions provided under the EA or University policy (e.g. 17 per cent of Base Salary for eligible employees), which may exceed the statutory minimum Where the employer contribution exceeds the statutory SG requirement, the higher contribution satisfies the University's obligations under the *Superannuation Guarantee (Administration) Act 1992 (Cth).*
Enterprise Agreement (EA)	The prevailing University of Melbourne Enterprise Agreement
Non-EA Employee	Employee whose terms and conditions of employment are not governed by, or subject to, the Enterprise Agreement and are instead determined under individual employment arrangements, including Senior Managers and Executives.
Remuneration Review Cycle	a) **EA Employees:** annual process aligned to each employee's classification anniversary date. Following each 12-month period in classification, incremental progression is applied, where eligible, in accordance with the provisions of the EA, whereby scheduled salary increases are applied in accordance with the EA b) **Non-EA Employees (Senior Managers and Executives):** annual process conducted around first quarter of each calendar year whereby remuneration (FAR) is reviewed with any resulting adjustments subject to approval
Supplementary Payments	Payments provided for in the EA which are in addition to base salary and payments that are additional to, or separate from, EA entitlements.
Superannuation Guarantee (SG)	The legislated minimum employer superannuation contribution required under the *Superannuation Guarantee (Administration) Act 1992 (Cth)*, calculated as a percentage of an employee's eligible earnings and payable into a complying superannuation fund, on behalf of the employee (currently 12%).

POLICY APPROVER

Human Resources Remuneration and Employment Compliance Committee (**HRRECC**).

POLICY STEWARD

Chief People Officer

REVIEW

This policy is due to be reviewed annually; next review is due by 2 September 2027.