



May 2014

Calculating salary data

This document provides advice on how to convert remuneration data to full-time equivalent and annualised amounts for employees. Please note the *Workplace Gender Equality Act 2012* requires that reporting on remuneration in your workplace profile be converted to the full-time equivalent and annualised amounts for:

Base salary: salary before tax, including salary sacrificed items, but excluding allowances, superannuation and any other additional payments

Total remuneration: includes base salary plus any additional benefits whether payable directly or indirectly, whether in cash or in a form other than cash. Includes bonuses, superannuation, overtime, allowances and any other amounts (for example share allocations, discretionary pay etcetera).

The conversions that we ask you to do are so that we can compare part-time, casual and contract employees 'as if' they were full-time workers paid year-round.

Period worked by employee	Full-time employees
12 months (no conversion is required)	Use the actual base salary and the actual total remuneration amounts paid to the employee for the 12 months.
Less than 12 months (annualised conversion is required)	<p>Step 1. Divide the actual base salary and the actual total remuneration amounts paid to the employee by the number of weeks worked during the 12 months on which you are reporting (to get the weekly rate of pay).</p> <p>Step 2. Multiply by 52 (the total number of weeks in the year) to get the annualised figure.</p>
Period worked by employee	Part-time employees
12 months (full-time equivalent calculation only is required)	<p>IF THEY WORK THE SAME NUMBER OF DAYS EACH WEEK</p> <p>Full-time equivalent calculation</p> <p>Step 1: divide the actual base salary and the actual total remuneration paid to the employee by the number of days that s/he works per week.</p> <p>Step 2: multiply the number calculated in Step 1 by five (the number of days per week for a full-time workload).</p> <p><i>One easy way to calculate this is through Microsoft Excel. Input the employees actual salary for the previous 12 months, the number of days worked each week and how many working days are in the week, in the first three columns respectively. Next input the formulas in columns D and E and copy these down the length of records in the column. Column E reflects the employee's full-time equivalent salary which is used in the workplace profile.</i></p>

**Example
Excel
formula**

In the example below, employee X works three days per week and has been paid \$45,000 for the 12 months being reported on. The full-time equivalent for that amount is \$75,000 for the year.

	A	B	C	D	E
1	Part-time salary paid	Days worked	Days in week	FTE	FT equivalent
2	45000	3	5	=B2/C2	=A2/D2
3	45000	3	5	0.6	75000
4					

IF THE NUMBER OF DAYS WORKED PER WEEK HAS VARIED DURING THE YEAR

Full-time equivalent calculation

Step 1: calculate the actual amount paid to the employee

Step 2: calculate the total number of days worked by the employee in the 12 months

Step 3: calculate the total number of days worked by a full-time employee in the 12 months

Step 4: divide the total amount earned by the amount in Step 2 to give you a daily rate of pay

Step 5: multiply the daily rate by the total number of days worked by a full-time employee in the 12 months.

Example below: the actual amount paid to part-time employee X is \$30,000; during the 12 months she worked three days for 20 weeks, then four days for 32 weeks (totalling 188 days worked in the 12 month period). The number of working days in a year equals 5 days per week x 52 weeks = 260 days. The calculation would be \$30,000 divided by 188 (days worked) equalling \$159.57 (daily rate), then multiply that by 260 (total working days in a year) = \$41,489. This figure equals the full-time equivalent amount for employee X.

**Example
Excel
formula**

	A	B	C	D	E	F	G	H
1	Part-time salary paid	Days worked	Weeks worked	Days worked	Weeks worked	Total days worked	Daily rate	FT equivalent
2	30000	3	20	4	=52-C2	=(B2*C2)+(D2*E2)	=A2/F2	=G2*260
3	30000	3	20	4	32	188	159.57	41489.36
4								

**Less than 12 months
(annualising and full-time equivalent conversions required)**

IF THEY WORKED PART-TIME FOR LESS THAN 12 MONTHS

Below is the breakdown of calculating a full-time equivalent and then annualised remuneration amount.

Full-time equivalent calculation

Step 1: divide the number of days worked per week by the number of days in a full-time working week (5) to give the full-time equivalent fraction (in the example below of an employee working three days per week, this is 0.6).

Step 2: divide the total amount paid to the employee by the fraction obtained in Step 1 (equalling \$50,000).

Annualising:

Step 3: divide the number of weeks worked by the employee (26) by the number of weeks in a year (26/52) equalling 0.5.

Step 4: divide the amount in Step 2 by the fraction obtained in Step 3 (equalling \$100,000).

This amount, \$100,000, reflects the annualised and full-time equivalent figure for employee X who has worked three days per week, for 26 weeks in the 12 months, having earned an actual amount of \$30,000.

**Example
Excel
formula**

	A	B	C	D	E	F	G
1	Part-time salary paid	Days worked	FTE fraction	FTE equivalent	Weeks worked	Annualised fraction	Annualised FTE equivalent
2	30000	3	=B2/5	=A2/C2	26	=E2/52	=D2/F2
3	30000	3	0.6	50000	26	0.5	100000
4							

Period worked by employee	Casual employees
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12 months, or less than 12 months

IF PAID HOURLY

Step 1. Calculate a full-time employee's total hours for the year e.g. 38 hours per week X 52 weeks. (Based on 38 hours being a full-time workload, in this workplace a full-time employee works 1976 hours per year.)

Step 2. Multiply the casual employee's hourly rate by a full-time employee's total hours for the year.

For all the casual employees in your organisation, input the employee's actual salary for the previous 12 months and the number of hours worked for the year in the first two columns respectively. Input the formula for column C below and copy this down to the final entry. Next update columns D and E with the number of hours a full-time employee works and 52 (the number of weeks in a year), respectively. Finally, input the formulas in columns F and G and copy these down to the final entry. Column G is the employee's full-time equivalent salary which is the amount to be used in the workplace profile.

Example Excel formula

A	B	C	D	E	F	G
Salary	Hours worked in year	Hourly wage	FT equivalent hours	Weeks in a year	FTE hours for year	FT equivalent
20000	520	=A2/B2	38	52	=D2*E2	=C2*F2
20000	520	38.461538	38	52	1976	76000

IF PAID A DAY RATE

Step 1. Multiply the day rate by the number of days in the working week for a full-time employee and then multiply by the number of weeks in the year.

For example, if the day rate is \$300, you would multiply that by five (number of days in a working week), equalling \$1500. Then multiply \$1500 by 52 (number of weeks in a year), totalling \$78,000. That is, a casual employee earning \$300 per day earns a full-time equivalent salary for the year (annualised) of \$78,000.

Frequently asked questions

Should redundancy payments be included and annualised?

Redundancy payments should not be included in the amounts recorded in the workplace profile.

How should the value of a company-provided car be reported on?

Include the amount which reflects how you ascribe value to the company-provided car in your organisation.

How should salary packaging be reported on?

Relevant employers are required to report on the gross amount of base salary and total remuneration in the workplace profile. Accordingly, the employee's gross base salary should be reported on (being the total base salary before tax). Therefore, it should not matter for the purposes of the workplace profile whether an employee is able to salary package a portion of their income, regardless of whether any tax would be payable on this portion.

What if an employee has taken unpaid leave for part of the 12 months?

Provide the annualised full-time equivalent remuneration, as if the employee had not taken unpaid leave.

What if an employee has taken unpaid leave for the 12 months?

Provide the annualised full-time equivalent remuneration, as per the amount specified in their contract.