



Frequently Asked Questions

Early Childhood Education and Care Worker Retention Payment

1. What is the payment?

The Early Childhood Education and Care (ECEC) Worker Retention Payment (*'retention allowance'*) was introduced by the Australian Government to support a temporary wage increase for *eligible workers*. Eligible ECEC employees work for an approved grant recipient and may be covered by the Children's Service Award 2010, Educational Services (Schools) General Staff Award 2020 or Educational Services (Teachers) Award 2020.

2. What is the retention allowance based on?

The program provides for a 10% retention payment in the first year, and a further 5% retention payment in the second year. The rate is based on 10% and 5% of the minimum rate for the applicable classification in the *Children's Services Award 2010 and Educational Services (Teachers) Award 2020*. The Employer does not set the rates for workers under the Awards – these are set by the Australian Government.

3. Is the payment definitely going to happen?

Unfortunately, an Employer cannot confirm this until their grant application has been approved by the Department of Education. The first step is inviting staff to participate by signing an Individual Flexibility Agreement (IFA). The Employer has to submit each IFA with our application to the Department of Education.

If our grant application is approved the Employer will be able to pay the allowance from the next available pay.

4. What is an Individual Flexibility Agreement?

The Individual Flexibility Agreement (IFA) allows the Employer to vary your award conditions. We are using the document only to pay a retention allowance if we are approved for the grant – all other conditions of your employment will remain the same. A government factsheet would have been sent to you with this FAQ document that provides more information.

5. Do I have to sign an Individual Flexibility Agreement?

No, it is completely up to you.

If you wish to participate in the program to receive the retention allowance* you will need to sign the agreement with your Employer.

If you do not wish to sign the agreement, you will continue to be paid as you are now, but will not receive the additional retention allowance.

**Subject to the Employer's grant application being approved by the Department of Education.*

6. How can I return my signed Individual Flexibility Agreement?

The Individual Flexibility Agreement (IFA) will be sent to you by email. You can read, sign and submit the agreement online. You can also download and print the agreement if you wish.

If you wish to download, print and sign a hardcopy, you can scan the signed document using an iPhone. *Scan instructions: open the Files app. Press the three dots on the top, select 'Scan Documents'. Position the document in front of the camera. Once all pages are scanned, press save. Rename your document (e.g. "IFA Jane Smith"). To return to your supervisor by email, click the send icon, select email and input email address.*

7. How long will I receive the payment for?

If you enter into an Individual Flexibility Agreement **and** the Employer is approved to receive the grant, the program is scheduled to run for two years from 2 December 2024 to 30 November 2026.

The allowance may run for the full two-year period, or there are special circumstances why it may be concluded earlier. An example of when this may occur is if the *Children's Services Award* pay rate (which the payment is nominally based on) increases to above the program retention payment rate, or you choose to cancel your Individual Flexibility Agreement with the Employer.

8. I have signed the Individual Flexibility Agreement. When will we start getting paid the allowance?

Unfortunately, we are unable to confirm the exact date.

If the Employer application is approved by the Department of Education the allowance payment will commence from the next available pay.

The Employer will also make an adjustment to the payment for all work performed since 2 December 2024. However, if you commence employment after 2 December 2024, it will be paid only from the date you enter into an Individual Flexibility Agreement after commencing employment.

9. Why do my parents or guardian have to sign the Individual Flexibility Agreement?

If you are aged under 18 years of age at the time the Individual Flexibility Agreement (IFA) will apply (including any periods that may be back paid), a parent or guardian is required to sign.

This condition is set by the government and stated in the Award you are employed under. The Employer is not able to make any exemptions to this requirement.

10. I heard the payment was 10% of the pay rate, but the allowance stated in the Individual Flexibility Agreement is a different amount to 10% of my ordinary pay rate.

This can occur because of the way the Australian Government has designed the program. The program payment is based off the minimum award rates in the *Children's Services Award 2010* and *Educational Services (Teachers) Award 2020*. The pay rate you receive may differ from these rates, so the result is the allowance may be a little less or more than 10% of your current hourly rate.

11. Are there any restrictions put in place because of this payment?

Yes, but only on the Employer. The Employer has to agree to certain conditions to be approved for the grant, such as capping child care fee increases.

12. What happens after the two-year program period finishes?

If the program is not continued, or the Employer is no longer eligible to continue, you will cease to receive the retention allowance. You will still receive the ordinary hourly rate of pay that you have continued to be paid whilst receiving the retention allowance.

13. Is the allowance taxable?

Yes, the allowance will be subject to income tax in the same way your ordinary wage is.

14. Is superannuation paid on the retention allowance?

The same rules apply as for your normal wages' payment.

As an example, if you are eligible to receive superannuation payments and receive a retention allowance of \$100 in your fortnightly pay, the Employer will pay an additional \$11.50 (equal to 11.5% of \$100) to your superannuation fund – this is on top of the allowance paid to you as wages.

More information about Employer superannuation payments, please visit the [Australian Tax Office website](#).

15. I am a new employee. Do I receive the allowance?

New employees who are eligible to participate and who enter into an Individual Flexibility Agreement will be able to receive the allowance. Eligible employees will be offered an Individual Flexibility Agreement once they have commenced work.

16. Do I need to get financial advice before entering into an Individual Flexibility Agreement?

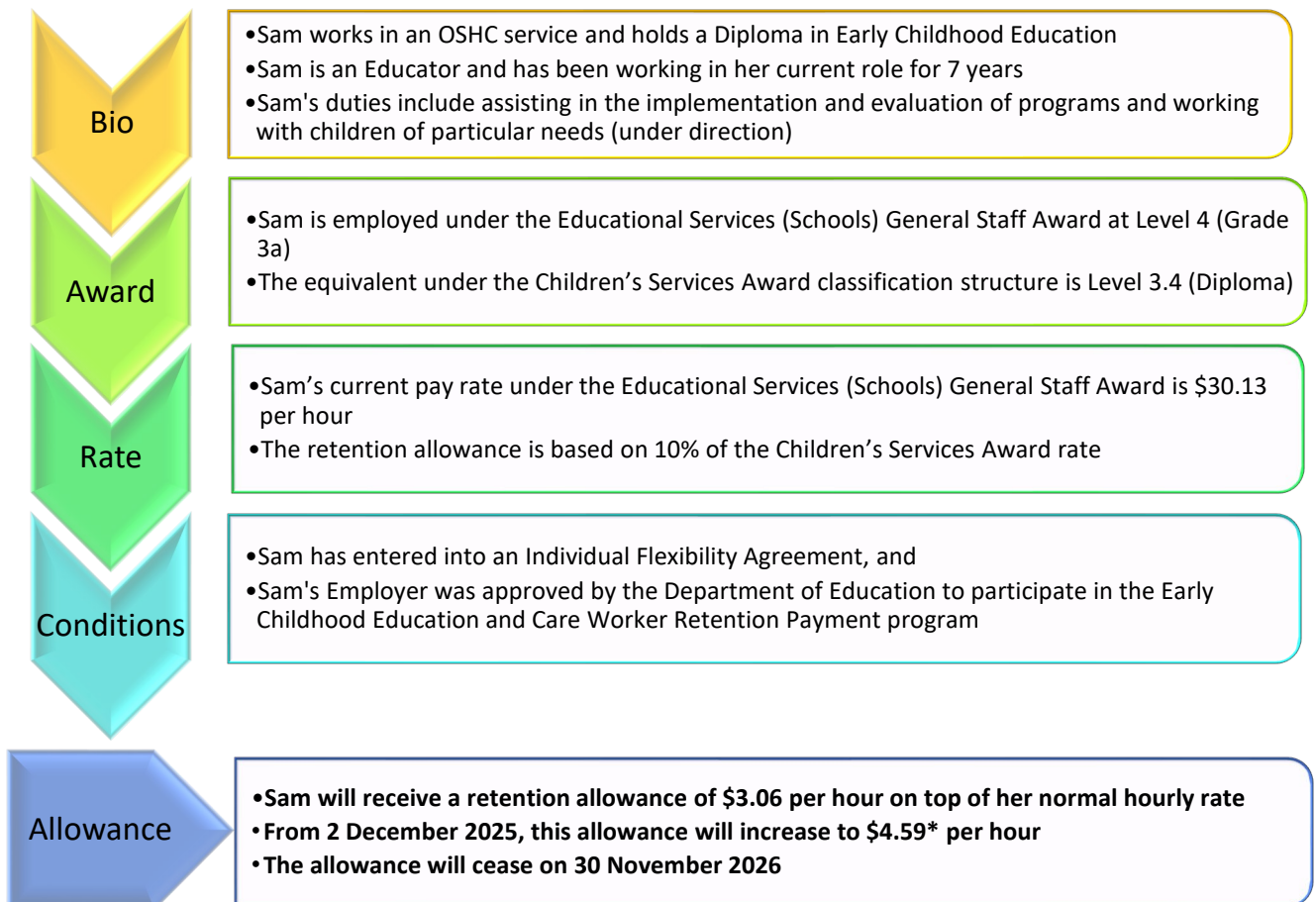
If you want to – it is completely up to you. The Employer cannot provide you with any financial advice.

17. I have some questions. Who can I contact?

Speak to your Coordinator / Director or contact Ruby Dimmick, Chancery Manager, People and Culture, at rdimmick@lismore.catholic.org.au or on 0491 140 563.

Examples – OSHC retention allowance

Sam



David



Bio

- David is 18 years of age, has completed year 12 and is a part-time casual employee in an OSHC service
- David is a Casual Educator and has been working for 10 months
- David assists in the implementation of daily care routines and other tasks of similar level



Award

- David is employed under the Educational Services (Schools) General Staff Award at Level 2.1
- The equivalent under the Children's Services Award classification structure is Level 2.1



Rate

- David's current pay rate under the Educational Services (Schools) General Staff Award is \$22.79 per hour
- The retention allowance is based on 10% of the Children's Services Award rate



Conditions

- David has entered into an Individual Flexibility Agreement, and
- David's Employer was approved by the Department of Education to participate in the Early Childhood Education and Care Worker Retention Payment program.



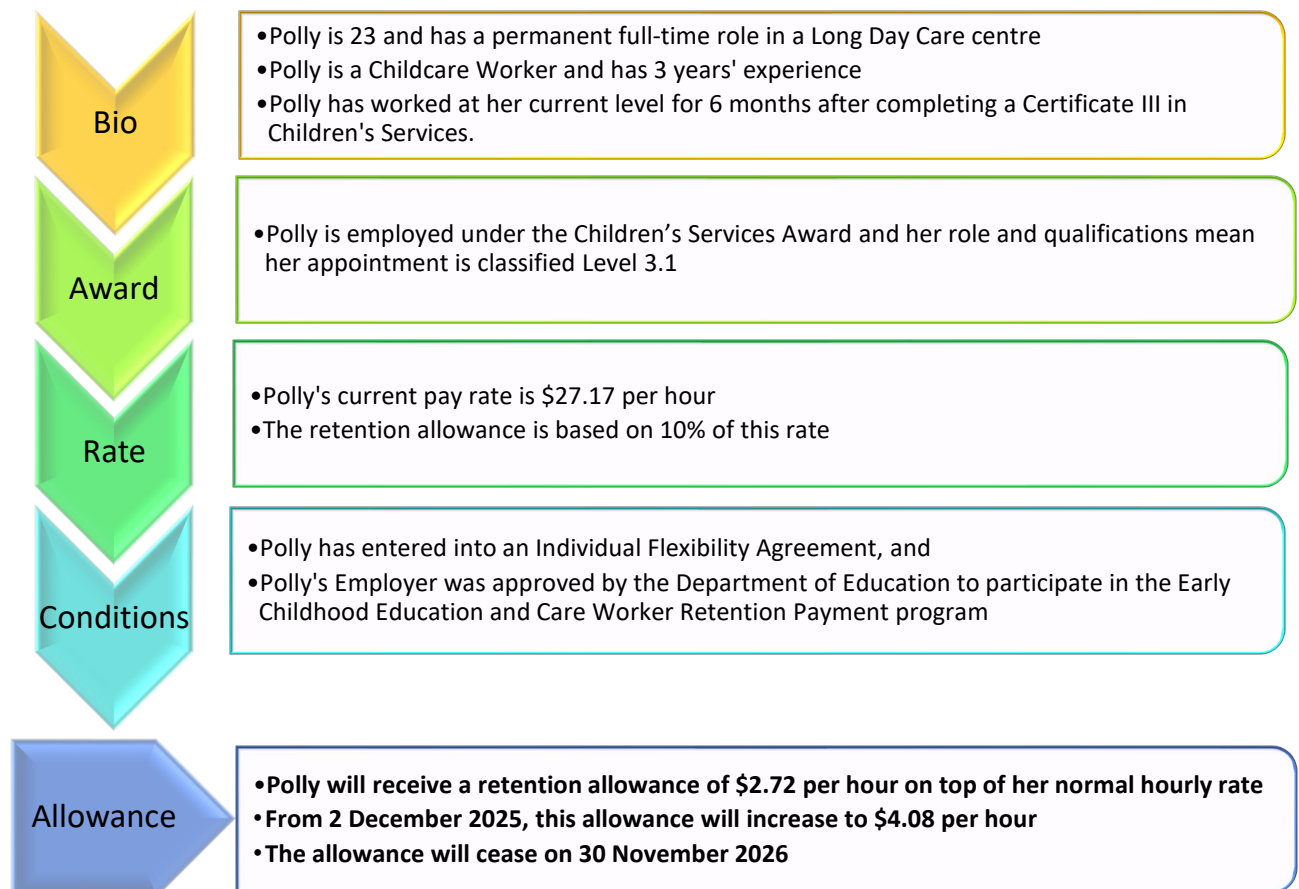
Allowance

- David will receive a retention allowance of \$2.79 per hour on top of his normal hourly rate
- From 2 December 2025, this allowance will increase to \$4.19 per hour
- The allowance will cease on 30 November 2026

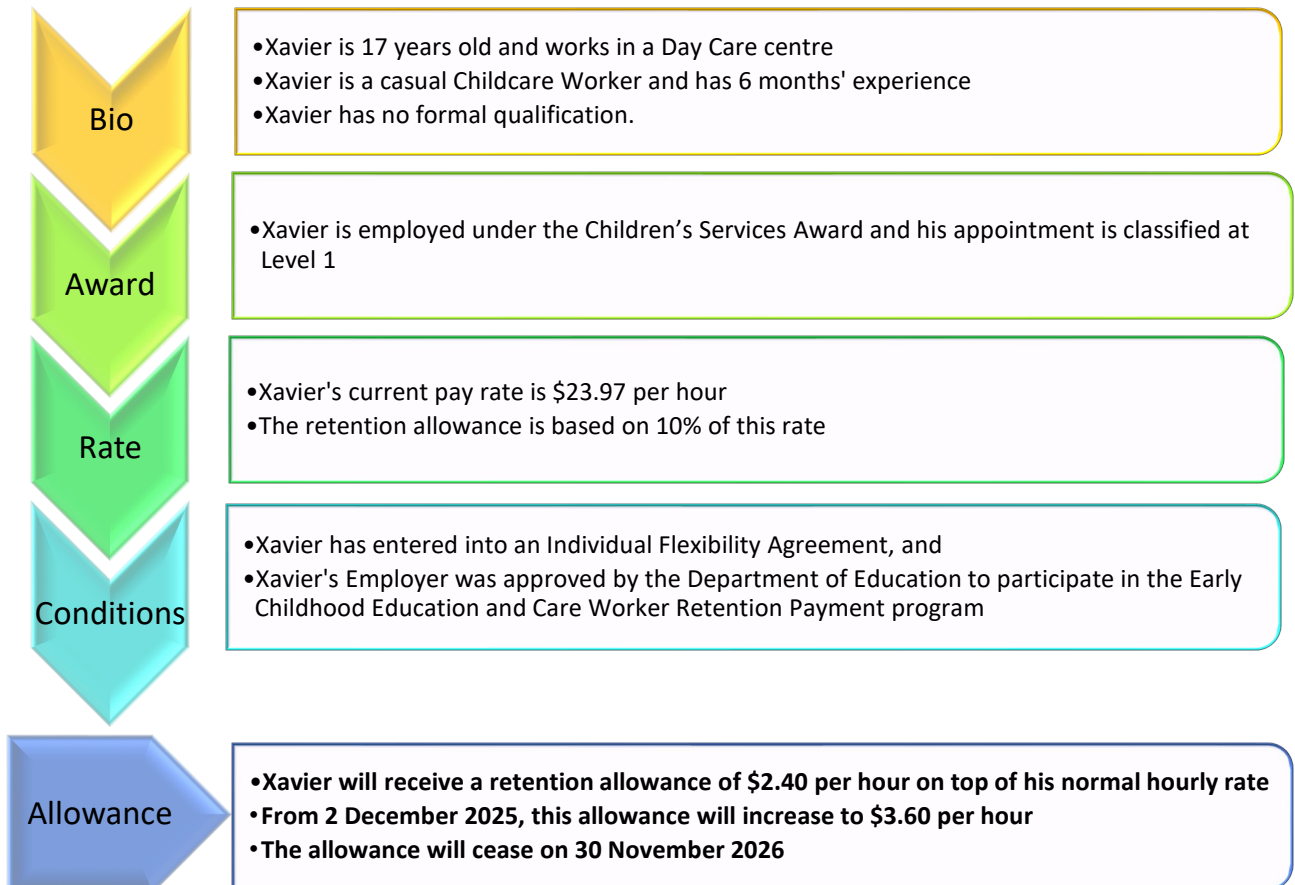
Examples – Day Care Services retention allowance



Polly



Xavier





Steven

