



## HIGH INCOME THRESHOLD AND COMPENSATION CAP FOR UNFAIR DISMISSAL APPLICATIONS

The high income threshold and compensation cap for unfair dismissal applications are indexed with effect from 1 July each year.

### New High income Threshold

From 1 July 2010, award/agreement free employees whose remuneration exceeds **\$113,800** (up from \$108,300 in 2009/2010) are not protected from unfair dismissal under the *Fair Work Act 2009* (FW Act).

Paragraph 382(b)(iii) of the FW Act provides that certain employees are not protected from unfair dismissal where their remuneration exceeds the high income threshold. This amount is calculated and indexed annually in accordance with Regulation 3.07 of the Fair Work Regulations 2009.

### New compensation limit

From 1 July 2010, the cap on the monetary amount that may be awarded by Fair Work Australia in lieu of reinstatement to an employee who was unfairly dismissed is **\$56,900** (up from \$54,150 in 2009/2010).

Subsection 392(5) of the FW Act provides for a limit on the compensation that can be awarded to employees earning over a certain amount when their dismissal is found to be unfair. This amount is expressed to be half of the high income threshold.

For any queries regarding the new remuneration or compensation limits, please contact the Fair Work Infoline on 13 13 94.

1 July 2010

