

Allowances Guideline

What is it?

This guideline explains the types of allowances available, approval requirements and rules regarding duration.

Who is this for?

This guideline applies to allowances intended for continuing and fixed term employees in RMIT University, RMIT Training and RMIT Online. These guidelines do not apply to senior executive positions.

1. General rules

1.1. Payment of allowances

- a) Allowances are calculated on an annual basis with the equivalent fortnightly amount paid as part of the fortnightly payroll for the period it will apply.
- b) Allowances are superannuable payments and are included in the calculation of annual leave loading.
- c) Allowances are generally payable during periods of paid leave although may cease if circumstances change during the period of leave. E.g. If an employee in receipt of Higher Duties allowance takes a period of extended leave the higher duties may pass to a different employee causing the allowance to cease.
- d) The amount of the allowance may be prescribed or might sit within a discretionary range.
Some allowances are calculated as a percentage of another value whilst some are stand-alone values. Managers should contact the People Team to understand the monetary rules of all allowances before they are offered or agreed where required.

1.2. The budget for allowances must be funded by the employing area.

2. Types of Allowance

2.1. Allowances linked to activity, circumstance or position

- a) These types of allowance are typically associated to an activity being carried out by an employee or a position held by the employee. Whilst the employee carries out the activity or duty the allowance continues to be paid. This includes the following allowances:
 - Academic and Teaching Leadership Allowance
 - Used in instances where an Academic employee undertakes a role with additional leadership requirements such as Deputy Dean, Program Manager, Senior Educator 2 etc.

- Higher Duties Allowances
 - Used for acting arrangements at a higher position classification or;
 - Taking on additional responsibilities outside of what would normally be expected in the current classification
 - Mobile Phone Allowance (RMIT Online only)
- b) When the employee ceases the activity or duty the allowance stops.
- c) If circumstances change mid-term, then the relevant manager may be asked to review the allowance and confirm if it ought to continue to apply. E.g., Promotion from level C to level D academic would cause a program manager allowance to end.

2.2. Allowances linked to individual skillset, knowledge, or external market value

These types of allowance are discretionary and typically provided for recognition of unique and critical skills; retention of critical expertise or knowledge; attraction of key talent and to align to external market value. This includes the following allowances:

- Academic Merit Allowance
 - Applied where the individual contribution is critically important to the achievement of strategic objectives in teaching, research and leadership or they add exceptional value to the University's academic services and, if lost would have a detrimental impact on the University
- Distinguished Professor allowance (see [Awarding of Distinguished Professor Title Instruction](#)).
- Industry Allowance
 - Applied to Vocational Education employee when an individual has strong industry experience but might not have requisite qualifications as per the VE classification structure
- Market Allowance
 - To be used to bridge the gap between the relevant Enterprise Agreement salary rates and external market demands

3. Allowance Terms

The table below outlines the maximum term for the following allowances:

| Allowance Type | Maximum Term | Other Conditions |
|--|--|---|
| Academic & Teaching Leadership Allowance | Aligned to term undertaking academic and teaching leadership responsibility | To be reviewed if circumstances change (eg Academic Promotion) |
| Higher Duties Allowance | Up to 12 months | To be reviewed when applying for an extended period. For extended periods and where applicable secondment arrangements should be considered |
| Relocation Allowance | Aligned to period of relocation/secondment | Negotiated at the outset of employment, with terms specified within employee's contract |
| Academic Merit Allowance | Up to 3 years | |
| Distinguished Professor Allowance | As per 'Awarding of Distinguished Professor Title instruction' | |
| Industry Allowance | Up to 3 years | Reviewed as qualifications obtained |
| Market Allowance | Ongoing or Fixed period (Noting implementation in Workday will be Qtr 1, 2024) | |

- a) Other considerations when allowances are being considered or reviewed are:
- Is the original allowance and its purpose still relevant
 - Financial implications
 - Are there alternative ways to recognise/attract/retain e.g. career development, secondment, training etc.
 - Does the payment of an allowance align with external market factors
- b) Commencement and retention of the allowance is dependent upon satisfactory performance of the employee to be assessed as part of the regular annual appraisal process.

More Information

- [Global Mobility Guidelines](#)
- [WorkLife: Salary – Compensation and Allowances](#) - extension information on how to process allowances
- Contact [People Connect](#)

Document history

| Version | Last updated | Authority | Author |
|----------------|---------------------|---------------------------|--------------------------------|
| 1.0 | 9 March 2021 | Employee Lifecycle Policy | Senior Manager, PWR |
| 2.0 | 26 April 2024 | Employee Lifecycle Policy | Performance and Reward team |