



## IMPORTANT PAY SECRECY CHANGE – 7 JUNE 2023

Recent changes in the law may impact your employment contracts.

### What Is Pay Secrecy?

In the past, employers were allowed to require that employees keep details of their pay and terms and conditions of employment confidential.

However, as a result of changes to the law, current and future employees have the right to:

- Share (or not share) information about their pay and employment terms and conditions (such as their hours of work); and
- Ask other employees (with the same or a different employer) about their pay and employment terms and conditions (such as their hours of work).

Employees can also exercise these rights after they leave their employment.

Employees can't be forced to share this information if they don't want to.

### What Does a Pay Secrecy Clause Look Like?

Your employment contracts may have a clause that requires employees to keep their arrangements confidential. For example, a secrecy clause that says something like:

*"You must keep confidential the terms of your employment. You acknowledge that it is a breach of this provision if you disclose to another employee of the Company details of your remuneration arrangements with the Company or any detail of your employment terms that is specific to you".*

### How Does The Law Change Affect Pay Secrecy Clauses?

Pay secrecy terms that were agreed to **before 7 December 2022** will continue to operate until the contract is changed.

Pay secrecy terms that have been included in contracts entered into on or **after 7 December 2022** will have no effect and cannot be enforced.

And importantly, from **7 June 2023**, pay secrecy terms must not be included in employment contracts at all. Employers who enter into Employment Contracts which have pay secrecy terms from this date will be committing an offence and may be liable for penalties.

### What Do You Need To Do?

Your employment contract templates may include a pay secrecy clause.

Please ensure that your templates are amended if necessary.

Do not create any new contracts that contain a pay secrecy clause.

Please contact us if you have any questions or would like assistance reviewing your employment contracts.

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