



# What assistance can FEG provide?

This fact sheet provides information about what assistance is available under the Fair Entitlements Guarantee (FEG). FEG is a basic payment scheme providing financial assistance to employees who have lost their job due to the liquidation or bankruptcy of their employer and who are owed employee entitlements which are not able to be paid by their employer or from another source.

## The FEG Act

Decisions about eligibility for FEG assistance are made in accordance with the *Fair Entitlements Guarantee Act 2012* (FEG Act). FEG may apply to a person if their employer enters liquidation or bankruptcy (known as an 'insolvency event') and the person has certain unpaid employment entitlements owing to them. For more information about eligibility requirements for FEG please refer to the [Eligibility for FEG assistance](#) fact sheet available on the [FEG website](#) ([www.employment.gov.au/FEG](http://www.employment.gov.au/FEG)).

## What assistance is available?

Under the FEG Act, the Department can pay what is owed to you under your existing terms and conditions of employment for the five basic entitlements below. Some caps apply.

- **wages** – capped at 13 weeks (see s. 5 and s. 24)
- **annual leave** (see s. 20)
- **long service leave** (see s. 21)
- **payment in lieu of notice** – capped at 5 weeks (see s. 22)
- **redundancy pay** – capped at 4 weeks per full year of service (see s. 23)

FEG does not cover unpaid employer superannuation contributions required under the Superannuation Guarantee. If you have unremitted employer superannuation contributions you should contact the insolvency practitioner managing your former employer's affairs to discuss your rights as an employee creditor.

## Working out the amount of assistance FEG will pay

FEG assistance for unpaid entitlements is calculated based on your existing terms and

conditions of employment (e.g. industrial award, enterprise agreement, contract of employment, National Employment Standard).

The Department liaises with the insolvency practitioner managing the affairs of your employer to obtain as much information as possible on:

- your circumstances with the insolvent employer
- your salary/wage rate
- what entitlements have been left unpaid
- whether your employer has sufficient funds to pay those entitlements within a reasonable period.

The Department will not pay FEG assistance for amounts that you have already been paid or amounts that are payable by another party (see s. 19 of the FEG Act). For example, if you are entitled to redundancy pay and your employer contributed to an industry redundancy fund, your unpaid redundancy should be paid by that fund and will not be paid under FEG. Similar arrangements may apply in some states or industries for long service leave.

## FEG maximum weekly wage

When calculating the amount of FEG assistance payable, the FEG maximum weekly wage is applied. The current indexed maximum weekly wage cap is \$2451.00 (see ss. 5 and 26–27 of the FEG Act). This means that if you earned more than \$2451 per week, your FEG assistance can only be calculated based on a weekly wage rate of \$2451 per week. The remaining unpaid entitlement for the portion of wages over that cap will need to be paid by the liquidator if funds become available.

## Recently agreed changes in terms and conditions

Any favourable changes to your terms and conditions of employment within 6 months of your

employment ending may be disregarded (see s. 25). If the Department considers it was unreasonable your employer to expect to have been in a financial position to satisfy improved conditions, the amount of FEG assistance may be calculated as if the terms and conditions had not been changed.

### **Other things that may affect the amount of FEG assistance paid**

Under the FEG Act, the amount of FEG assistance payable may be reduced by any debts you owe to your former employer (see s. 17).

FEG assistance may also not be payable in circumstances where the insolvency practitioner expects to have sufficient funds to pay your employment entitlements in full within 112 days of you lodging an effective claim or the date of the insolvency event (whichever is later) (see s. 18).

### **How can you help?**

You should provide all the information and documents requested in the FEG claim form to establish that you meet the eligibility conditions.

The information contained in this fact sheet is of a general nature and explains, in summary form, the intended operation of the *Fair Entitlements Guarantee Act 2012* - it is not legal advice. Where necessary, you should seek your own independent legal advice relevant to your particular circumstances. The Commonwealth is not liable for any loss resulting from any action taken or reliance made by you on the information contained in this factsheet.

For more information about the type of information you should provide please refer to the [How do I apply for FEG assistance](#) fact sheet available on the [FEG website](#).

The Department will try to obtain as much information as possible from the insolvency practitioner about what you are owed. Sometimes, particularly if your employer had poor books and records, other information from your own records will be needed. If we contact you to ask for more information, getting that information to us quickly will help us to finalise your claim quickly.

### **Want more information?**

You can contact the FEG Hotline if you would like more information about eligibility for FEG assistance. To contact the FEG Hotline:

- phone 1300 135 040 or
- email [FEG@employment.gov.au](mailto:FEG@employment.gov.au).

If you speak a language other than English, call the Translating and Interpreting Service (TIS) on 13 14 50 for free help anytime.

Further information is also available on the [FEG website](http://www.employment.gov.au/feg) ([www.employment.gov.au/feg](http://www.employment.gov.au/feg)).

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