Circular

21 March 2019 File Ref: 1/13/16 Released by: Kerry Arnold

FORTHCOMING EMPLOYMENT RELATIONS CHANGES

Unfortunately, *the circular you received today on the upcoming employment relations changes, as provided by Business NZ, required some amendment as stated below*
In an effort to simplify the changes the author failed to distinguish between when the starting out wage is payable to those aged 16 or 17 and when to those aged 18 or 19.

For clarity the starting out wages the summary should read:

The minimum starting-out rate (80% of the adult rate) for workers not involved in training or supervision who are aged 16, 17 and have not worked continuously for the employer for a period of 6 months, or aged 18 and 19 and have spent 6 months on a benefit and not previously worked 6 months for an employer - increases to:
This change has been included in the body text below. The author apologies for any inconvenience the oversight may have caused.

Please destroy the earlier version of this circular.

April 1 this year sees some recent employment relations' changes come into effect, namely:

The minimum wage increases to:
$17.70 per hour for workers paid by the hour or by piece work
$141.60 per day for workers paid by the day
$708 per week for workers paid weekly, and
$1,416 a fortnight in all other cases
$17.70 per hour is payable for each hour worked over 8 per day, 40 per week and 80 per fortnight
and for those 18, 19 -
The minimum starting-out rate (80% of the adult rate) for workers not involved in training or supervision who are aged 16, 17 and have not worked continuously for the employer for a period of 6 months, or aged 18 and 19 and have spent 6 months on a benefit and not previously worked 6 months for an employer - increases to:
$14.60 per hour
$113.28 per day
$556.40 per week and
$1,132.80 per fortnight in all other cases
14.60 per hour is payable for each hour worked over 8 per day, 40 per week or 80 per fortnight.

The trainee rate (for those training for an occupation to which their employment agreement relates) is as for the starting-out rate.

The Domestic Violence – Victims Protection Act amends:

The Employment Relations Act to allow workers affected by domestic violence (including those who live with a child affected by domestic violence) to ask for a short-term variation in their working arrangements (2 months or shorter). Workers can subsequently ask for their short-term variation to be extended or made permanent.

Employers must respond within 10 working days of receiving a request but can ask for proof the worker (or child) is affected by domestic violence and have a right of refusal. Grounds for refusal are specified.

If an employer fails to respond as required, the matter will be treated as an employment relationship problem.

The Holidays Act to provide any worker affected by domestic violence (including a worker who lives with a child affected by domestic violence) with up to 10 days paid domestic violence leave.

To be eligible for leave the employee must have worked continuously for the employer for 6 months for an average of 10 hours a week, working at least 1 hour each week and 40 in each month. Leave may be taken sooner by agreement. Payment is average daily pay or relevant daily pay.

Leave can be requested whether the violence is currently occurring or occurred at some earlier time, even if that was before the person affected came to work for the employer.

The 10 days' domestic violence leave is available only within each 12-month period and can't be carried over to the following 12-months.

The Taxation (Annual Rates for 2017-2018, Employment and Investment Income, and Remedial Matters) Act 2018 amends:

The KiwiSaver Act by inserting a new *'KiwiSaver status'* definition covering the information employees have to give to their employer (whether or not a member of an existing KiwiSaver scheme, deduction rate if already a member, whether on a contribution holiday or wish to cease deductions (by providing a non-deduction notice) or have chosen to opt out of a scheme). New members must also provide information as required by the Commissioner for Inland Revenue and nominate a contribution rate. The Commissioner is to provide the necessary form.

Replacing the terms 'deduction notice' and 'remittance notice', where these are currently used with *'KiwiSaver status'*.

Bringing the Act into line with payday reporting by replacing 'an employer monthly schedule' where this term occurs (as with the requirement to notify the Commissioner of any new employee and any opt-out) with *'employment income for payday reporting' (*or, a variation such as *'in their employment income information'* as where employers have remitted insufficient money).

Amending the PAYE rules applying to deductions.

(Note that previously publicised proposals for change - adding new employee contribution options of 6% and 10%, changing the name of the employee contributions' break from 'contributions holiday' to 'savings suspension' (to indicate more clearly that this *is* a break rather than a holiday) and requiring employees to consider whether to reapply after a year (not after 5 years), and a allowing employees over the age of 65 to join the scheme – are not part of the current amending provisions.)