



MaximsAccounting
BUILDING BETTER BUSINESS

Special Update For Employers

Changes to Employment Law

Over the past 12 months there have been some changes to Employment Law. Here are some common updates that affect many businesses:

- ▶ Rest and Meal Breaks - From April 2009, employees are entitled to specific rest and meal breaks depending on the number of hours they work. For example, an employee who works an 8 hour day, is entitled to two 10 minute paid rest breaks and one 30 minute unpaid meal break to be taken at an agreed time.
- ▶ Minimum Wage Order 2009 – Adult workers minimum wage is now \$12.50 per hour and the new entrants and trainee minimum wage is now \$10.00 per hour.
- ▶ Parental Leave Payments – Parental leave payments have been increased. Employees who meet the eligibility criteria will be entitled to paid parental leave payments to a maximum payment of \$429.74 per week before tax.
- ▶ Statutory 90 day Trial – This applies to businesses who employ fewer than 19 employees. You may negotiate in good faith a trial period of 90 calendar days with a new employee who has not previously been employed by the Company. An employee who is given notice of dismissal before the end of a trial period cannot raise a personal grievance on the grounds of unjustified dismissal. He or she may, however, raise a personal grievance on other grounds, such as discrimination or harassment or an unjustified action by the employer that disadvantaged the employee.

Avoid the costs related to Health and Safety

The Health and Safety in Employment Act was first introduced in 1992, now 17 years on, it seems businesses are still getting hit hard with big fines for non compliance and/or unexpected costs due to work related injuries.

Health and safety is an area where many of our clients fail to meet the minimum standards by law. If there is a workplace accident at your business and you have failed to take all practicable steps to minimise, isolate or eliminate the hazard, you could be up for an infringement fee or prosecution.

Fundamentally, the Health and Safety in Employment Act 1992 requires all workplaces to have a systematic management of health and safety at work. It requires employers and others to maintain safe working environments and implement sound practice.

Implementing a health and safety system doesn't have to be complicated, overly time consuming or expensive. If your business is committed to health and safety, integration of a basic system is relatively straightforward and a one off cost. Once the system is up and running, it can be easily maintained as long as team members demonstrate a commitment to it. For further information on implementing a health and safety system contact Grow HR, details overleaf.

Hot hints

EMPLOYMENT AGREEMENTS

Make sure you have the NEW statutory 90 day trial period in your Employment Agreements. This is different from old probationary period clauses.

“Coming together is a beginning. Keeping together is progress. Working together is success.”

HENRY FORD

PSYCHOMETRIC TESTING

Psychometric testing provides a powerful way of ensuring the best candidates are selected by assessing their ability and preferred behavioural styles.

For more information contact People Central 06 833 6465

Client showcase



The team at **Grow HR** are well qualified Human Resources, Employee Relations and Occupational Safety and Health professionals with significant hands on experience in a wide variety of business settings. They have proven expertise in delivering the full range of Human Resource services and provide a true 'one stop shop' for all HR matters.

Contact **Grow HR** for employment agreements, customised training sessions, assistance dealing with problem employees, legal advice on employment law, or simply to brainstorm ideas on how to get more out of your team. **Grow HR** can help with just about anything that has to do with 'people'.

Phone 06 878 5454
www.growhr.co.nz

Employment Agreements

Without having Employment Agreements in place you could be putting your business at risk. The Employment Relations Act requires written employment agreements (individual or collective) to be provided by an employer prior to an employee commencing work.

Failure to have agreements in place could incur a penalty of up to \$10,000. More importantly, the absence of an employment agreement can translate into a 'silent stance' in a number of common situations. One example is an employer whose business was affected by the economic downturn – he wished to restructure his business, but did not have employment agreements in place with his staff members. One staff member challenged the restructure which went on to the Authority. Because the employer was silent on redundancy compensation and could not agree an amount with the affected employee, the Authority imposed a remedy of paid redundancy compensation based on a formula of four weeks salary for the first year of service and two weeks salary for every

year of service thereafter. In this instance, a correctly worded employment agreement could have negated the need to pay anything. An expensive learning curve!

Not only does a written employment agreement put you on the right side of the law, it also protects the employer's interests and removes confusion between the parties.

A small investment to ensure employment agreements are in place and water tight is far less costly than the stress and headache and expense further down the line. An HR firm can organise these contracts for you.

Processes – do it the right way

Employment case law sets precedents for the process in which as an employer you must handle some employment situations. There are some common business issues which require a process to be followed, these are:

- ▶ Restructuring of a business
- ▶ Changing an employee's terms and conditions of employment
- ▶ Dealing with poor performance or misconduct
- ▶ Implementing certain organisational policies (i.e. drug and alcohol policy)
- ▶ Ending an employment relationship
- ▶ Dealing with personal grievances

Sticking to a process is easier than most think, provided you know what the process is. Once you know are informed, you can follow a step by step framework that provides structure and the peace of mind that you are 'doing it right'!

Following the right process shouldn't be perceived as arduous, but rather an investment akin to a 'get out of jail free' card.

If you find yourself dealing with any of the above employment situations, call Grow HR for up to date and step by step advice on processes.

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