



**More certainty and fairness
in employment**

Hours of work

New employment law comes into effect from 1 April 2016 aimed at ensuring New Zealand workplaces are fair and productive.

The changes aim to retain flexibility where it is desired by both employers and employees, but also increase certainty by ensuring that both parties are clear about the mutual commitments that they have made.

This will mean that where the employer and employee agree to a set number of hours they be required to state those hours in the employment agreement.

What is changing?

Employers are now prohibited from the following practices:

- › not committing to any hours of work, and expecting employees to be available when required
- › expecting employees to be available, without reasonable compensation

- › requiring employees to be available, without a genuine reason based on reasonable grounds
- › cancelling a shift without reasonable notice or reasonable compensation to the employee
- › putting unreasonable restrictions on secondary employment of employees
- › making unreasonable deductions from employees' wages

**Need to know more about enforcing
employment standards?
Go to employment.govt.nz**

**EMPLOYMENT
NEW ZEALAND**

A horizontal bar composed of several colored segments: purple, blue, light blue, green, and orange.

*It all adds up to a **productive & fair** workplace.*





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What you need to know

Every employee must have a written employment agreement – this can be either an individual agreement or a collective agreement. All employers are required to retain a signed copy of the employment agreement or the current signed terms and conditions of employment.

Hours need to be stated in the employment agreement –

Where the employer and employee agree to a set amount of hours, they will be required to state those hours in the employment agreement. This includes agreement on any or all of the following:

- > the number of hours
- > the start and finish times
- > or the days of the week the employee will work

This will ensure employers and employees are clear in their commitments to each other. The employer and the employee do not have to agree on hours, times, or days, but when they do, anything that is agreed must be recorded in the agreement.

Employers may not require employees to be available without a genuine reason based on reasonable grounds and reasonable compensation – employers are prohibited from requiring employees to be available above their agreed hours stated in their employment agreement, unless employees are compensated for that availability as agreed in the employment agreement. Employers are not obliged to offer, and employees are free to decline, work that is above the agreed number of hours.

Cancelling a shift only with reasonable notice or compensation – an employer will not be able to cancel an employee's shift without providing reasonable compensation. Employers will be required to either give employees the agreed reasonable notice before cancelling a shift, or provide them with reasonable compensation for late notice, before the shift commences.

Notice periods and reasonable compensation rates will need to be agreed and stated in the employment agreement. If an employee has commenced their shift already, or the reasonable notice period and reasonable compensation are not recorded in the employment agreement, the employee is entitled to what they would have otherwise earned for that shift.

Prohibiting unreasonable restrictions on secondary employment – employers will be prevented from restricting secondary employment for employees in their employment agreements, unless they have a genuine reason based on reasonable grounds to do so, the reasons must be stated in the employment agreement.

Those grounds won't be prescribed but will be related to the risk of loss to the employer of knowledge, property (including intellectual property), commercial reputation, or preventing a real and unmanageable conflict of interest.

Prohibiting unreasonable deductions from employees' wages – employees must consent to deductions from their wages and the deduction must not be unreasonable. For example a deduction to cover losses caused by a third party through breakages or theft may be unreasonable, particularly if the employee had no control over the third party conduct.

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