



**More power to enforce
minimum employment rights**

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Strengthening Enforcement of Employment Standards

New employment standards legislation includes a package of measures to strengthen the enforcement of employment standards. Employment standards are requirements for employers such as paying the minimum wage, providing annual holiday entitlements and keeping written employment agreements. The standards protect vulnerable workers and help to ensure work places are fair and competitive.

What is changing?

1 April 2016 legislation changes will strengthen the enforcement of standards with a particular focus on:

- › Ensuring that breaches of employment standards, from minor to breaches to the most serious (such as exploitation), are dealt with in an appropriate way
- › Ensuring the available sanctions provide an effective deterrent
- › Ensuring that employers keep complete and accurate records in relation to their employees
- › Avoiding imposing unnecessary compliance costs on employers.

The measures target the worst transgressions of employers without imposing unnecessary compliance costs on employers in general.

They include:

- › Tougher sanctions for serious breaches
- › Clearer and more robust record keeping requirements
- › Increased tools for labour inspectors, including infringement notices
- › Changes to the Employment Relations Authority's approach to employment standards cases.

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

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What you need to know

Tougher sanctions

The new legislation beefs up the range of actions that labour inspectors can take against employers who fail to meet their obligations. The most significant change is an increase in fines from \$10,000 to \$50,000 for an individual and from \$20,000 to the greater of \$100,000 or three times the financial gain for a company.

Clearer Record Keeping

The key requirement in the new legislation is that employers can produce a record of the number of hours worked each day in a pay period, and the pay for those hours, in an easily accessible form on request from an employee or from a labour inspector. Employers will have flexibility as to what form this record takes.

Good record keeping protects the employer in the case of a dispute and ensures that an employee's entitlements are correctly met.

Greater accountability

The new laws also make it easier to hold third parties (eg directors or senior managers) accountable for breaches of employment standards if they are knowingly and intentionally involved in those breaches

Increased tools for labour inspectors

From April, Labour inspectors will have the power to issue infringement notices for clear-cut breaches of their employment standards obligations, reducing the need to take proceedings to the Employment Relations Authority or Employment Court.

The infringement fine level is a set \$1,000, with a cap of \$20,000 in a 3 month period if there are multiple breaches.

Changes to the Employment Relations Authority's approach to employment standards cases

From April, more employment standards cases, particularly those that involve more serious and systemic and intentional breaches of employment standards, will be resolved at the Employment Relations Authority or Court, rather than being automatically directed to mediation services in the first instance, as has been the case in the past.

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