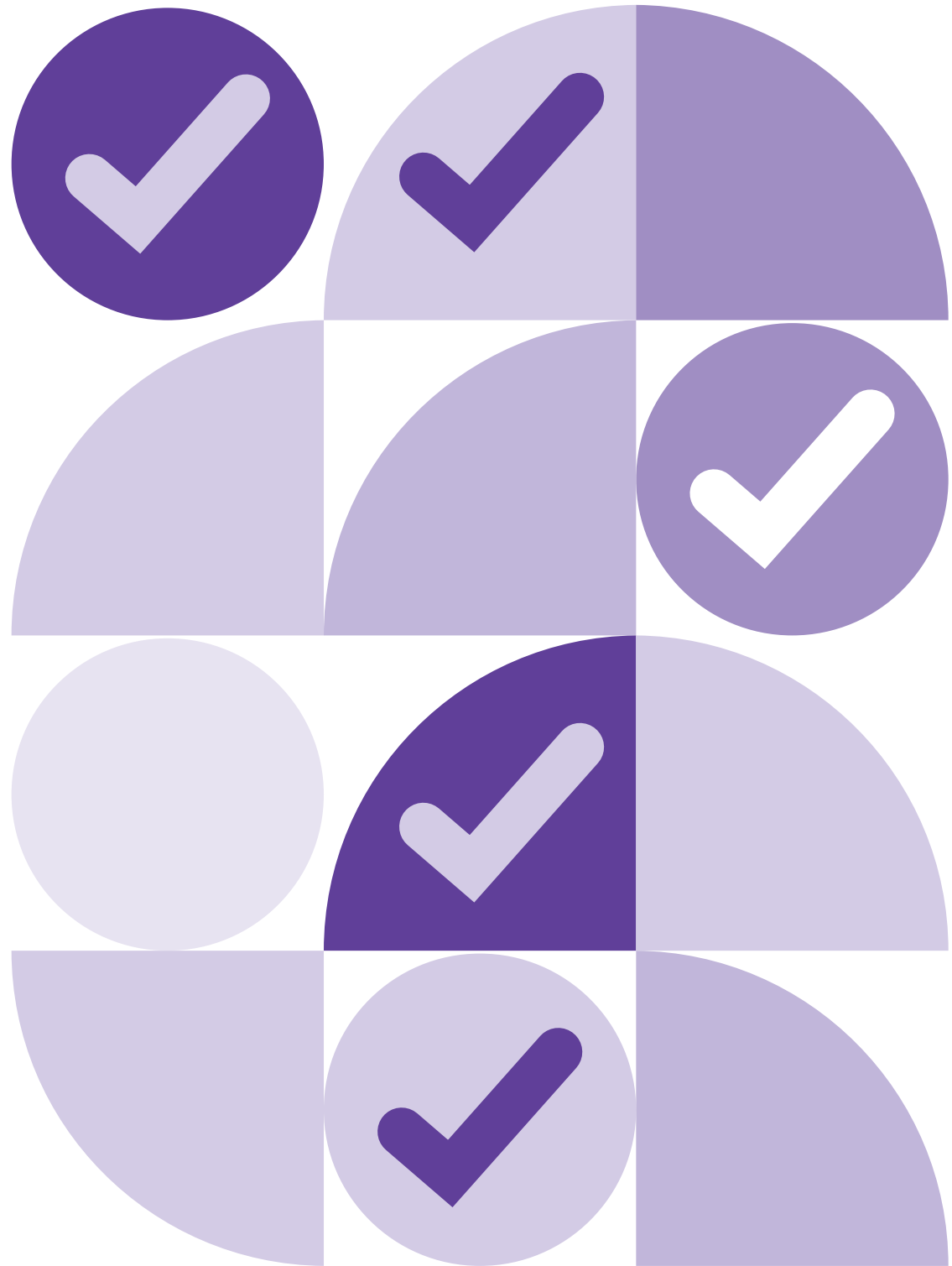
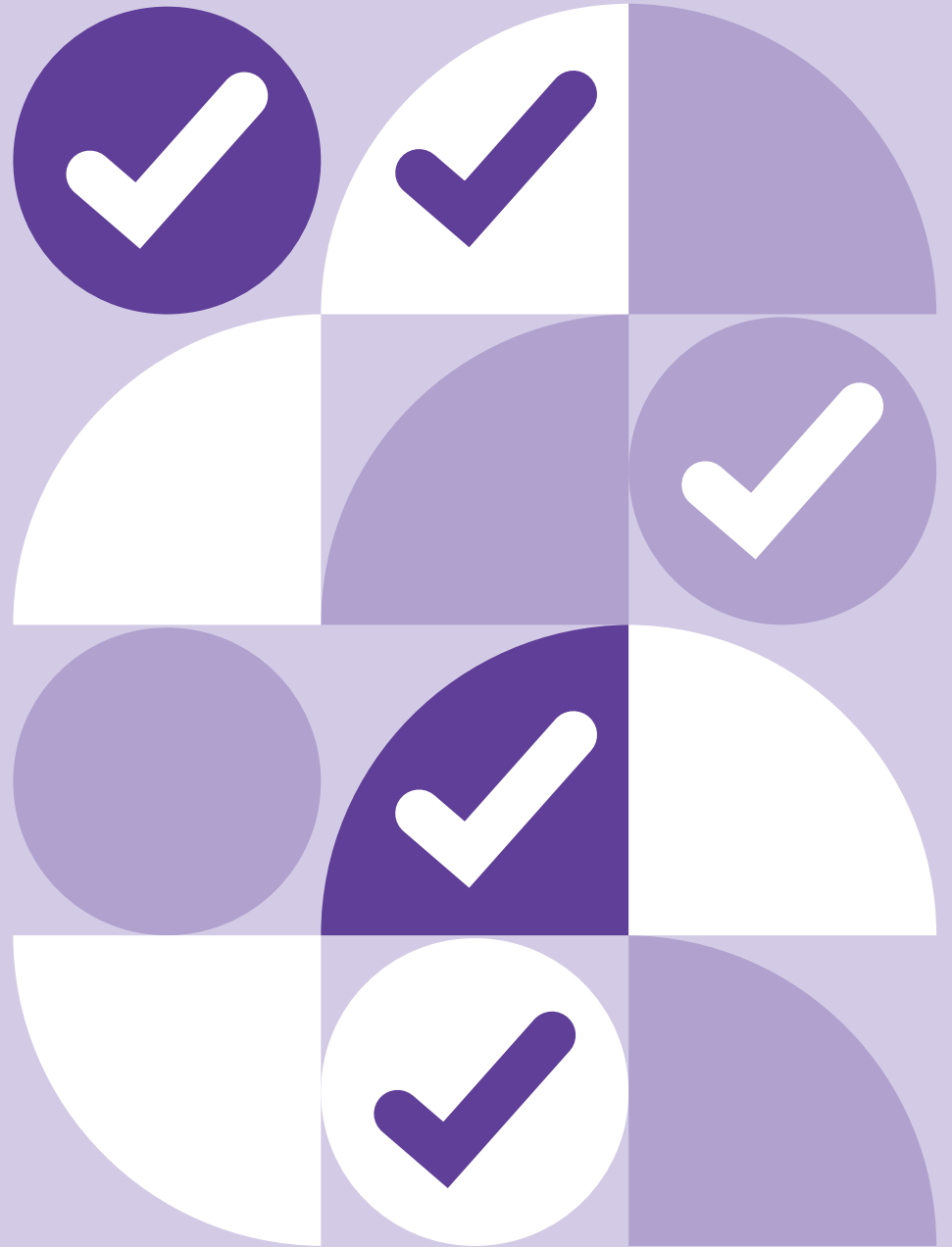


**EMPLOYMENT  
NEW ZEALAND**

**Ethical and  
sustainable  
work practices**

# Employer Self-assessment Checklist







## Purpose

The Employment Standards Employer Self-assessment Checklist (Checklist) helps you as an employer measure your compliance with minimum employment standards in your workplace, by undertaking your own self-assessment.

Failing to meet minimum employment standards is a breach of the law and is serious. It can disadvantage and demotivate your employees, damage your reputation and undermine fair competition between employers. It can lead to you and/or your organisation being liable for penalties (fines) as well as corrective action.

Using the Checklist is a practical step that can help you identify any areas of non-compliance with minimum employment standards.

**Note: To help you complete the Checklist you should refer to the Employment Standards Employer Self-assessment Guide (Guide) that provides detailed information in relation to each area of your self-assessment.**

## Disclaimer

The information in this publication has no statutory or regulatory effect and is of a guidance nature only. Guidance cannot override the law and is not legally binding.

Users of this guidance should not substitute this for legal advice.

The information should not be relied upon as a substitute for the wording of the Holidays Act 2003.

**Note: further references are standardised in this document to either “the Act” or “the Holidays Act”.**

While every effort has been made to ensure the information in this publication is accurate, the Ministry of Business, Innovation and Employment (MBIE) does not accept any responsibility or liability for error of fact, omission, interpretation or opinion that may be present, nor for the consequences of any decisions based on this information. Some provisions in the Holidays Act which currently allow more than one interpretation have not had the matter tested and decided by the Courts. Where MBIE has a view on the interpretation of a particular provision, it will express how it interprets that provision, but this should not be considered a substitute for legal advice.

## How to use the Checklist

The Checklist is very detailed, so prepare for it to take some time to complete and to refer to the Guide for more information.

For general questions in relation to employment standards, contact Employment New Zealand: visit [www.employment.govt.nz](http://www.employment.govt.nz) or phone 0800 20 90 20 toll-free.

The Checklist uses your employment records, wages and time records, holidays and leave records, and employment agreements. It is important to note that the wages and records need to be sufficiently detailed. For example, to check some public holiday entitlements you will also need to know what pattern of hours and days were worked ahead of the public holiday. Summary reports of amounts paid are insufficient and cannot be used to complete the Checklist properly.

Please complete the Checklist in full and keep it with the employment records and employment agreements that were audited in your self-assessment. This way if an employee asks, or a Labour Inspector visits, you will be able to clearly demonstrate your calculations and reasoning for your conclusions.



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If your self-assessment reveals you have not met an employment standard, you should take action to correct errors for all affected employees and not just those in the audit list in Template 2. This includes payment of any arrears for the previous six years at least. Keep a record of any corrective action you have taken, with the completed Checklist.

The Checklist is divided into these parts:

#### Getting started:

##### Employer details

##### Scope of the self-assessment

#### Completing the audit

**Section 1: Employment and Individual Employment Agreements (IEAs)**

**Section 2: Records**

**Section 3: Wages**

**Section 4: Holidays**

#### Summary and declaration

**Summary of the self-assessment results**

**Completion checklist**



## Getting started: organisation details

Legal name of the employer:

Trading name of organisation:

Physical address of organisation:

Postal address of organisation (if different from physical):

Number of employees:

Name and position of person carrying out the self-assessment:<sup>1</sup>

Mobile of person carrying out the audit:

DDI of person carrying out the self-assessment:

Email:

Name of payroll provider and type/version of electronic payroll system (if used):

The name and contact details of the person who runs and/or administers your payroll system:

Date audit was completed:

 /  / 

<sup>1</sup> This person must either be the employer, chief executive, or a director of the company that is the employer, or be an authorised representative of the employer so that everything they complete is with the legal employer's consent and authority.



## Getting started: scope of your self-assessment

Generally it is not practical to audit every single record for every employee and so it is usual to select a representative group of employees and audit their records. The exception to this rule is workplaces with a small number of staff.

It is important that a diverse group of employees is selected to get a good cross-section of the different types of employees found in your business operation. For example, think about including employees across different roles, different work sites, different methods of payment (eg salary vs wages) and those who have different arrangements for hours of work.

Making good decisions will give you a much fuller picture of how well you are complying with the employment standards and result in you completing a stronger self-assessment.

### 1. Create a full employee list

Use Template 1 (which follows) to create a list of all current employees and any others whose employment ended in the last six years.

### 2. Create an audit employee list

Use Template 2 (follows Template 1) to record your audit employee list of the employees that you select to use as the representative group for your self-assessment.

It will depend on the size and type of your organisation as to how many employee records you should include in your audit employee list. To review a proper range of individual employees some different types of employees must be included in your audit employee list.

For an example of that, some holiday calculations can only be checked using employees who have taken holidays after 12 months of employment. You can only check if holiday pay at termination is calculated correctly if the audit list has employees whose employment has ended. Holiday entitlements can become more complicated when the working hours and/or days are variable.

Therefore, ensure that your audit employee list includes at least the following employee types:

- › employees that have worked for more than a year and under a year
- › employees that are currently employed and those whose employment has ended (including some that have worked more than a year at termination and have “untaken annual holidays” (annual holidays that the employee is entitled to but hasn’t yet used) at the end of their employment)
- › if you have employees on varying arrangements for their hours and terms of work then include a mix of these in the audit employee list including:
  - employees who work standard hours and days and receive annual holidays
  - employees who work varying hours and days and receive annual holidays
  - employees who have their holiday pay included in their pay – meaning those
    - who are on a fixed-term of less than 12 months, or
    - whose work is so intermittent or irregular that it is impracticable to provide four weeks' holiday.









# Section 1

## Employment and individual employment agreements

### 1.1 Individual Employment Agreements (IEAs)

Every employee must have a written employment agreement and for Individual Employment Agreements (IEAs) there are mandatory elements that must be included in them.

This section also contains minimum employment standards about employing new employees, effective from 6 May 2019 which relate to the 30-day rule and “active choice form” as noted in the Guide and below.

Read the ‘Individual Employment Agreements’ section (1.1) of the Guide. Refer to your **full employee list** and complete the following:

1.1.1 Does every employee who is not on a union collective agreement have an IEA in writing? Yes  No

**For employees on union collective agreements go straight to section 1.2.**

1.1.2 For every employee on your full employee list who are on IEAs, have you completed all of the below: Yes  No

› kept signed copies of their IEA or the current terms and conditions of employment, and Yes  No

› copies of any intended IEA, and Yes  No

› given each a copy if requested? Yes  No

1.1.3 Do all IEAs for employees audited contain the mandatory clauses? Consider the following: Yes  No

› the names of the employer and the employee Yes  No

› a description of the work to be performed Yes  No

› an indication of the place of work Yes  No

› any agreed hours of work (including the number of guaranteed hours, the days of the week the work is to be performed, the start and finish times of work, and any flexibility in these), or where there are no agreed hours of work or an indication of the hours of work Yes  No

› the wage rate or salary payable Yes  No

› a plain explanation of services available to help resolve employment relationship problems Yes  No

› a reference to the fact that personal grievances must be lodged within 90 days of any incidents occurring, or within 12 months if it relates to sexual harassment Yes  No

› a reference to the fact that personal grievances relating to sexual harassment must be lodged within 12 months of any incidents occurring Yes  No

› the right to at least time-and-a-half payment for working on a public holiday Yes  No

› for most employees, an employment protection provision that will apply if the employer’s business is sold or transferred, or if the employee’s work is contracted out Yes  No

› information about the employee’s entitlements under the Holidays Act 2003, and where to get information about Holidays Act entitlements Yes  No

› a provision that complies with the Holidays Act 2003 requirement for employees to be paid at least time-and-a-half for work on public holidays Yes  No



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› any other matters agreed upon, such as trial periods or probationary arrangements Yes  No

› if any person/s was newly employed from 6 May 2019, did you provide this employee/s with an approved 'active choice form' within the first ten days of employment, and return it to the applicable union unless the employee objected Yes  No

› if any person was employed after 6 May 2019, were they employed under terms consistent with the applicable collective agreement? The employer and employee may agree more favourable terms than the collective agreement. Yes  No

**If YES to all three questions above, attach copies of each employee's IEA to this self-assessment form and go to Question 1.2.**

1.1.4 If you answered NO to ANY of the above questions and you have now made corrections attach evidence to this Checklist showing the corrections made. Evidence attached

1.1.5 If you have not taken corrective action, please explain why not:

**1.2 Rest breaks and meal breaks**

All employers are required to provide employees with set rest and meal breaks.

Read the 'Rest Breaks and Meal Breaks' section (1.2) of the Guide. Complete the following:

1.2.1 Do you understand your employer obligations under section 69ZD of the Employment Relations Act 2000 with amendments from Section 43 of the Employment Relations Amendment Act 2018 about rest and meal breaks for your employees? Yes  No

1.2.2 Are you confident that all your employees either take the legislated breaks at times you have agreed or at the times in the legislation? Yes  No

**If YES to the above two questions go to Question 1.3**

1.2.3 If NO to EITHER of the above questions have you now made sure that you:  
› understand your obligations, and  
› have corrected the provision of rest and meal breaks for your employees? Yes  No

1.2.4 › If you have taken corrective actions please provide evidence of this, for example correspondence and memos with employees. Evidence attached

1.2.5 If you have not made necessary corrections, please explain why not:



### 1.3 Employment status

Minimum employment standards only apply to workers who are employees. They do not apply to either self-employed people such as contractors or genuine volunteers. If you have any workers who are contractors or volunteers it is important to be sure that you have recognised their employment status correctly.

Read the 'Employment Status' section (1.3) of the Guide and complete the following:

- 1.3.1 Do you have workers who are not on the employee list because they are classified as self-employed or volunteers? Yes  No
- Do you have relevant contracts or correspondence showing they agree with this assessment (eg independent contractor agreement, agreement to be a volunteer)? Yes  No
- Do you have systems in place to check if these arrangements have changed over time, for example after three and six months? Yes  No

**If NO go to Question 1.4**

**If YES continue.**

- 1.3.2 If YES, explain the reason these workers are defined as 'self-employed' or 'volunteers':

### 1.4 Employee eligibility to work in New Zealand

Under the Immigration Act 2009 employers must not employ foreign nationals who are not entitled to work in New Zealand or not entitled to work for that employer.

Read the 'Employee Eligibility to Work in New Zealand' section (1.4) in the Guide, refer to your full employee list and complete the following:

- 1.4.1 Do you have a process in place to check whether a prospective employee is entitled to work in New Zealand? Yes  No
- 1.4.2 If NO, have you now registered as an employer to use the Immigration New Zealand **VisaView** service at [www.immigration.govt.nz/about-us/our-online-systems/visaview](http://www.immigration.govt.nz/about-us/our-online-systems/visaview)? Yes  No
- Attach evidence of your enrolment to use VisaView and a print out of two VisaView searches using your audit employees as examples.**
- 1.4.3 Do you currently, or did you ever, employ migrants who are not New Zealand citizens or permanent residents? Yes  No

**If NO go to Question 2.1**

- 1.4.4 Are all of your current migrant employees working consistently with their visa conditions? Yes  No
- 1.4.5 If NO, confirm that you have contacted Immigration New Zealand to resolve the situation:



## Section 2

### Records

Good record keeping is an employment law requirement. It helps you to be clear you are meeting employment standards and also protects you as an employer if there are any queries or disputes. The keeping of wages and time records, and holiday and leave records is a fundamental business system.

Read the 'Records' section (2) of the Guide. Refer to the wages and time records, and holiday and leave records for at least two employees from your audit employee list (over the entire duration of their employment if possible) and complete the following:

**Please note that ALL wages and time records and holiday and leave records must be retained for no less than six years from the time they are created.**

- 2.1 Do you keep a record of the number of hours that your employees work each day in a pay period and pay for those hours? Yes  No
- 2.2 Do you keep a record of the actual days paid that your employees worked and/or took paid leave? Yes  No
- 2.3 Do you keep a record of the wages and additional payments made **each pay day**, including overtime, together with a method of calculation? Yes  No
- 2.4 Do you keep a record of all entitled, taken in advance, and cashed-up annual holidays? Yes  No
- 2.5 Do you keep a record of all hours worked on public holidays? Yes  No
- 2.6 Do you keep a record of all payments to employees for unworked public holidays? Yes  No
- 2.7 Do you keep a record of all entitled, taken, and cashed up alternative holidays? Yes  No

- 2.8 Do you keep a record of all other leave accrued, taken, taken in advance and paid? For example, sick, bereavement, domestic violence, leave without pay and parental leave? Yes  No

**If YES to any or all of the above attach a copy of the records checked to this Checklist.**

- 2.9 If you answered NO to any of the above questions, please explain why: Evidence attached

- 2.10 If you answered NO to any of the above questions and you have now taken corrective action, attach evidence showing how the records are now amended. Evidence attached



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- 
- 2.11 If you have not taken corrective actions, please explain why not:



## Section 3

### Wages

#### 3.1 Minimum wage

All employees who are 16 years old or over must be paid at least the relevant minimum wage for their work. Employees who are paid a salary also need to receive at least the equivalent of the current minimum wage for each hour worked. Take the time to ensure that your organisation complies with this entitlement, regardless of how they are paid.

Refer to the 'Minimum Wage' section (3.1) in the Guide. Ideally check the wages and time records for one or two employees of each employee type you have identified, but at the very least check two employees from your audit employee list and complete the following:

3.1.1 Did you pay your employees at least the minimum wage rate for every hour they have worked for the duration of their employment? Yes  No

Also answer these questions:

› Did you record all hours each of your employees actually worked? Yes  No

› For any employees paid hourly, did they get paid at least the current minimum wage for each hour they worked? Yes  No

› For any of your employees who receive a salary, was the pay they received over a fortnight divided by the number of hours they actually worked in that fortnight, and was it at least equal to the current minimum wage? Yes  No

**If YES, attach a copy of the wages and time records of the employees audited and go to Question 3.2**

- 
- 3.1.2 If NO and you have now taken corrective actions, attach evidence to this checklist showing: Evidence  attached
- › all records amended, and
  - › payments of arrears to audited employees, and
  - › payment of arrears to any other affected employees in the past six years.
- 
- 3.1.3 If you have not taken corrective actions, explain why not:



### 3.2 Payment for trials and probation periods

Payment of at least the minimum wage applies to all work, this includes work during a probation period or a trial period, where all hours worked must be paid. To be valid, these provisions must be included in a written and signed employment agreement.

Read the 'Payment for trials and probation periods' section (3.2) in the Guide. Refer to your full employee list and complete the following:

- 3.2.1 Prior to 6 May 2019, have you started new employees on any type of trial or training period including 90-day trial periods or probationary periods? Yes  No
- Have you recorded this in their written employment agreement prior to the commencement of the trial period? Yes  No
- If any person was employed from 6 May 2019, under a trial period did your organisation have less than 20 employees? Yes  No

#### If NO go to Question 3.3

- 3.2.2 If YES – Have you paid these employees no less than the relevant minimum wage rate from the time their trial or training period started? Yes  No
- 3.2.3 If NO to Question 3.2.2 – Have you corrected this by back paying employees (on the full employee list) who have worked unpaid trial periods and amended your records accordingly? Yes  No
- 3.2.4 If you have corrected this please attach evidence in support of this, including: Evidence attached
- › copies of the correct calculations
  - › records showing payments
  - › evidence of payments made to all affected employees from the past six years.

3.2.5 If you have not corrected this, please explain why not:



### 3.3 Deductions from pay

In general, all wages must be paid in full without deduction. There are exceptions to this (eg legally required deductions such as tax, court ordered fines, child support and employee Kiwisaver contributions).

Another exception is that the law allows for deductions to be made from pay where the employer requests it in writing or specifically consents in writing. Read the information in the Guide carefully as deductions that are unlawful and/or unreasonable cannot be made.

Read the 'Deductions from Pay' section (3.3) in the Guide. Use the wages and time records, and holiday and leave records for your audit employee list for the whole duration of their employment if possible, and complete the following.

3.3.1 Have you deducted money from any employee's pay for things **OTHER THAN** those that are required by law? Yes  No

**If NO then go to Question 3.4**

3.3.2 Have you made deductions (other than those required by law) **WITHOUT** the **specific** written consent or written request of the worker to make the deduction? Yes  No

3.3.3 Was specific written consent or written request for a deduction obtained **WITHOUT** employees being advised that they have the right to withdraw their written consent? Yes  No

3.3.4 Have you deducted money with written consent from any employee's pay for personal protective equipment? Yes  No

3.3.5 Have you deducted money with written consent from the employee's wages for board or lodging? Yes  No

3.3.6 Have you made a deduction with written consent from any employee's wages for on-the-job training, recruitment, equipment or orientation costs? Yes  No

3.3.7 Have you made a deduction from any employee's wages that upon review went beyond a genuine estimation of cost? Yes  No

3.3.8 If you answered YES to any of the six questions above and you have now taken corrective actions, attach evidence to the Checklist showing: Evidence attached

- › policies, records or agreements amended, and
- › payments of arrears to audited employees, and
- › payments of arrears to any other affected employees in the past six years.

3.3.9 If you have not taken corrective actions, please explain why not:





### 3.4 Premiums and direction on spending wages

A premium is where an employer charges or receives a payment from an employee or from any other person to obtain or secure a job for a person.

This is unlawful exploitative behaviour and a serious breach of employment standards. The charging of premiums may be overt. It includes the repayment of wages in any form, as well as less obvious bonding arrangements and deductions which also amount to the charging of a premium.

It is also prohibited for an employer to require an employee to spend their wages at a certain place or in a certain manner.

Read the 'Premiums and Direction on Spending Wages' section (3.4) in the Guide. Use the wages and time records and holiday and leave records for your audit employee list for the whole duration of their employment if possible, and complete the following questions.

3.4.1 Do you have bonding or deduction arrangements with any employees relating to on-the-job training, recruitment, start-up or orientation costs? Yes  No

3.4.2 Do you have arrangements which require employees to spend their wages in a certain way or at a certain place? Yes  No

3.4.3 Have you sought or received any premium/payment in respect of the employment of any person? Yes  No

#### If NO to these questions above go to Question 3.5

3.4.4 If you answered YES to either of the questions above and you have now taken corrective actions, attach evidence to the Checklist which shows:

- › policies, records or agreements amended, and
- › any payments of arrears to audited employees, and
- › payment of arrears to any other affected employees in the past six years.

3.4.5 If you have not taken any corrective actions, please explain why not:



### 3.5 Equal pay and pay equity

Males and females performing substantially similar work should receive rates of pay in which there is no differentiation solely on the basis of their sex.

Read the “Equal pay and pay equity” section (3.5) in the Guide. Use your full employee list and complete the following:

- 
- 3.5.1 Do your male and female employees receive rates of pay in which there is no element of differentiation based on gender, when performing largely similar work? Yes  No

**If you answered YES to the above question, go to Question 4.1**

- 3.5.2 If you answered NO – Have you now corrected this practice by back paying up to six years, employees of the opposite gender from the full employee list who have received rates of pay less than others doing work that is substantially the same? Yes  No

- 
- 3.5.3 If you have corrected this practice please provide evidence to show this, including: Evidence attached
- › copies of correct calculations, and
  - › amended records, and
  - › evidence of back payments to all affected employees.
- 

- 
- 3.5.4 If you have not corrected this practice, please explain why not:



## Section 4

### Holidays

#### 4.1 Definitions and formulae

There are some core calculations and definitions that are applied in relation to holiday entitlements.

Before we get to the provision of the holiday entitlements themselves you first need to make sure these core basics are being calculated and approached correctly. In the details below, you will be asked to check if your system correctly works out pay and entitlements for different leave types. Remember, the Holidays Act 2003 sets out minimum entitlements, and if your system uses formulas that are not in that Act, you must be able to show that your employees get at least the minimum payment and entitlements required by the Act, or better.

Read the 'Definitions and Formulae' section (4.1) of the Guide. Use a calculation sheet from Template 3 (on the following page) to help you. Use one calculation sheet for each employee you audit in this section. You should audit at least one or two employees of each type in your audit summary list.

- |       |   |                           |                          |
|-------|---|---------------------------|--------------------------|
| 4.1.1 | Does your system correctly work out what 'four weeks' annual holidays are in actual time off work (which will change depending on employee's actual hours of work)? | Yes <input type="radio"/> | No <input type="radio"/> |
| 4.1.2 | Does your system correctly work out the formula for 'Ordinary Weekly Pay' (OWP)?  | Yes <input type="radio"/> | No <input type="radio"/> |
| 4.1.3 | Does your system correctly work out the formula for 'Average Weekly Earnings' (AWE)?  | Yes <input type="radio"/> | No <input type="radio"/> |

- |       |  |                           |                          |
|-------|--|---------------------------|--------------------------|
| 4.1.4 | Does your system correctly pay the greater of 'OWP' or 'AWE' for each period of annual holidays taken?   | Yes <input type="radio"/> | No <input type="radio"/> |
| 4.1.5 | Does your system correctly work out the formula for 'Relevant Daily Pay' (RDP) and 'Average Daily Pay' (ADP)?  | Yes <input type="radio"/> | No <input type="radio"/> |
| 4.1.6 | Does your system correctly work out whether a day is an 'otherwise working day' for an employee?   | Yes <input type="radio"/> | No <input type="radio"/> |
| 4.1.7 | Have you correctly set up your system to include all earnings identified in section 4.1 of the Guide in order to correctly calculate 'Gross Earnings'? | Yes <input type="radio"/> | No <input type="radio"/> |

**If you answered YES to any of the above questions, attach a copy of the records audited and a detailed record of the calculation sheets (Template 3) you completed to ensure compliance.**

- |       |  |   |
|-------|--|---|
| 4.1.8 | If you answered NO to any of the above questions and you have now taken corrective actions please attach:  | Evidence attached <input type="radio"/> |
|       | <ul style="list-style-type: none"> <li>&gt; evidence showing records amended, and</li> <li>&gt; payments of arrears to audited employees, and</li> <li>&gt; payment of arrears to any other affected employees in the past six years.</li> </ul> |   |
| 4.1.9 | If you have not taken corrective actions, please explain why not:  |   |



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## Template 3: Holidays definitions and formulae calculation sheet

Employee name:

### 1. Four weeks annual holiday (in time off)

Working	Notes
	<ol style="list-style-type: none"> <li>1. Check what time off was allotted to this employee for annual holidays – was it a genuine working week for this employee?</li> <li>2. Does it reflect what is an actual working week for this employee, and not just an average or a “usual” week?</li> </ol>

### 2. Ordinary Weekly Pay (OWP) and Average Weekly Earnings (AWE)

Read the ‘Definitions and Formulae’ section (4.1) in the Guide.

Working	Notes
Date annual holiday taken:	<p>Follow these steps:</p> <ol style="list-style-type: none"> <li>1. Find an instance where this employee has taken annual holidays.</li> <li>2. Work out the OWP if possible to determine at the beginning of the annual holiday.</li> </ol> <p>If OWP is not possible to determine, calculate OWP manually. This is done on the basis of the total gross earnings for the four calendar weeks before the end of the pay period calculation is made (or if the pay period is longer than four weeks, then the pay period immediately before the calculation is made) divided by four.</p> <p>If the pay period is longer than four weeks, then use the pay period immediately before the calculation is made.</p>
Amount of annual holiday taken:	
Amount paid: \$	
OWP figure at the time the holiday was taken:	
AWE figure – working:	
Higher of AWE and OWP:	
Proportion of a week taken:	



Amount payable for period of leave taken:

\$

3. Calculate the AWE manually on the basis of the total gross earnings for the year prior to the holiday divided by 52.

If the employee worked for less than a year and took annual holidays in advance, the AWE is the total gross earnings for a part year worked divided by the number of weeks or part weeks worked in that period.

4. Identify the higher weekly figure between the OWP and AWE.
5. Work out the proportion of a week's holiday that was taken.
6. Multiply the higher of the OWP or AWE rate by the proportion of a week that was taken.
7. Ensure that the figure paid by you was at least as high as the figure calculated.

Note: When annual holidays taken span across multiple pay periods, the calculation of the annual holiday pay must still be in relation to the beginning of the annual holidays.

### 3. Total Gross Earnings (AWE and OWP)

Read the 'Definitions and Formulae' section (4.1) in the Guide.

#### AWE

Working	Notes
Total Gross Earnings for year to	Return to the calculation you performed for AWE above and find the figure you used for the Total Gross Earnings.
Total Gross Earnings used: \$	Double check that the figure you used for Total Gross Earnings included:
Does it include all the payments listed to the right? Yes <input type="radio"/> No <input type="radio"/>	<ul style="list-style-type: none"> <li>&gt; all wages, salary, commission, bonuses and piece rates</li> <li>&gt; allowances (but not reimbursing allowances)</li> <li>&gt; overtime</li> <li>&gt; all types of holiday pay</li> <li>&gt; cash value of board and lodgings</li> <li>&gt; compulsory payments by employer under ACC (ie first week compensation).</li> </ul>

#### OWP (if applicable)

Working	Notes
Total Gross Earnings for year to	Return to the calculation you performed for OWP above and find the figure you used for the Total Gross Earnings.
Total Gross Earnings used: \$	Double check that the figure you used for Total Gross Earnings included:
Does it include all the payments listed to the right? Yes <input type="radio"/> No <input type="radio"/>	<ul style="list-style-type: none"> <li>&gt; productivity or incentive-based payments (including commission) if those payments are a regular part of the employee's pay</li> <li>&gt; payments for overtime if those payments are a regular part of the employee's pay</li> <li>&gt; the cash value of board and lodgings.</li> </ul>



#### 4. Relevant Daily Pay (RDP) and Average Daily Pay (ADP)

Read the 'Definitions and Formulae' section (4.1) in the Guide.

Working	Notes
Date holiday occurred:	1. Find a time (ideally more than one instance) when this employee has been paid for either a sick day, bereavement day, domestic violence day, alternative holiday or unworked public holiday.
Type of holiday:	
Amount paid: \$	2. Calculate RDP by asking yourself – What would the employee have received on this day had they worked? This includes any productivity or incentive payments, commission, piece rates or overtime that would have been earned.
Date holiday occurred:	
Type of holiday:	An employer can only use the ADP calculation instead of the RDP calculation if: <ul style="list-style-type: none"> <li>› it is not possible/practical to work out the RDP, OR</li> <li>› the employee's daily pay varies within the pay period in question.</li> </ul>
Amount paid: \$	
Relevant Daily Pay (RDP) working:	If using the ADP calculation – manually work this out taking the total gross earnings for the 52 calendar weeks prior to the pay period in question and divide by the number of days worked (including part days and days on paid leave).  Ensure that the amount you have paid is at least the RDP (or the ADP if this is an option for this employee).
If applicable – Average Daily Pay (ADP)	
1. Reason the ADP calculation can be used:	
2. Working:	
Amount calculated as payable: \$	

#### 5. Otherwise Working Day (OWD)

Read the 'Definitions and Formulae' section (4.1) in the Guide.

Working	Notes
Public Holiday:	1. Look for three public holidays that have fallen during this employee's service. Ideally – find some that were treated as an OWD and some which were not considered to be an OWD.
Date of the Public Holiday:	
Day of the week it fell:	2. Ask yourself the key question – <b>If it hadn't been a public holiday would the day have been worked by that employee?</b>
Was it treated as an OWD? Yes <input type="radio"/> No <input type="radio"/>	
Reason why:	Factors that can be part of your thinking include: <ul style="list-style-type: none"> <li>› patterns of work</li> <li>› rosters or similar systems</li> <li>› the employment agreement</li> <li>› the expectation that the employee would work the day in question</li> <li>› the employee works only when work is available.</li> </ul>
Public Holiday:	
Date of the Public Holiday:	
Day of the week it fell:	
Was it treated as an OWD? Yes <input type="radio"/> No <input type="radio"/>	
Reason why:	
Public Holiday:	
Date of the Public Holiday:	
Day of the week it fell:	
Was it treated as an OWD? Yes <input type="radio"/> No <input type="radio"/>	
Reason why:	



## 4.2 Annual holidays – payment for holidays taken

From working through the previous section of the Checklist you will be familiar with the terms of AWE and OWP and paying the higher of the two.

Read the 'Payment for Holidays Taken' section (4.2) of the Guide. Use the wages and time records, and holiday and leave records for at least two employees from your audit employee list for the whole/entire duration of their employment and complete the following:

- 4.2.1 Have you paid your audit employees correctly each time they have taken paid annual holidays? Yes  No

**If YES attach a copy of the employees records audited and a detailed record of the calculations you performed to ensure compliance.**

- 4.2.2 If you answered NO to the question above and you have taken corrective actions attach evidence showing: Evidence attached
- › all records amended, and
  - › payment of arrears to audited employees, and
  - › payment of arrears to any other affected employees in the past six years.

- 4.2.3 If you have not taken corrective actions, explain why not:

## 4.3 Annual holidays – pay at termination

The other time that employees receive payment for annual holidays is at the end of their employment.

Read the 'Annual Holidays – Pay at Termination' section (4.3) in the Guide. Use the wages and time records and holiday and leave records for employees on your audit employee list who have left your employment and complete the following:

**Did you correctly pay the following two types of audit employees the correct holiday pay entitlements at termination?**

- 4.3.1 For those who worked **less than 12 months** before ending their employment – did you: Yes  No
- › pay them at least 8% of their total gross earnings since commencement less the dollar value of any annual holidays paid in advance?

**AND**

- › include in the gross earnings figure any alternative holiday's untaken and paid out at termination?



4.3.2 For those that have worked **more than 12 months** before finishing – did you do the following: Yes  No

- › Pay them any untaken annual holidays they are entitled to (calculated up to the time the employee last became entitled to annual holidays, that is, calculated up to their last anniversary date), calculated at the rate of the greater of their Ordinary Weekly Pay at their termination date, or their Average Weekly Earnings during the 12 months prior.

**AND**

- › Calculate payments for any public holidays which would have fallen on otherwise working days if the employment had been notionally extended by the amount of untaken annual holidays?

**AND**

- › Pay them at least 8% of their total gross earnings for any part year from their last anniversary date to termination?

**AND**

- › Include in the total gross earnings figure the payments for the 8% calculation these details:
  - untaken annual holidays paid at termination?
  - alternative holidays paid out at termination?
  - payments for any public holidays due which would have fallen on otherwise working days if the employment had been notionally extended by the amount of untaken annual holidays?

**If YES to any of the above, attach copies of the employees records audited and a detailed record of the calculations you performed to ensure compliance.**

4.3.3 If you answered NO to any of the above questions and you have now taken corrective actions, attach the following:

- › evidence showing all records amended, and
- › payment of arrears to any affected audited employees, and
- › payment of arrears to any other affected employees from the past six years.

4.3.4 If you have not taken corrective actions, please explain why not?





## 4.4 Annual holidays – closedowns

Some employers operate a regular annual closedown for all (or part) of their organisation. Employers can direct employees to discontinue their work and take annual holidays during a regular annual closedown.

However, the holidays legislation has rules about how this is done and how the holiday pay is calculated for the closedown – especially for employees who have worked for less than one year at the date of the closedown.

Read the 'Closedowns' section (4.4) of the Guide. Use the wages and time, and holiday and leave records for all employees on your audit employee list for the duration of their employment and complete the following:

4.4.1 > Do you operate a regular annual closedown each year? Yes  No

### If NO got to section 4.5

4.4.2 When you operate the regular annual closedown – do you give at least 14 days' notice to employees that you will do this? Yes  No

4.4.3 For the audit employees who had no entitlement to annual holidays did you: Yes  No

- > move their annual holiday's anniversary date to a date near the beginning of the closedown?

#### AND

- > pay them 8% of their gross earnings to date as 'holiday pay'?

#### AND, IF AGREED

- > allow them to use some annual holidays in advance?

4.4.4 If public holidays fell during the regular annual closedown period – were employees paid for these days as public holidays when they fell on their otherwise working days? Yes  No

**If YES to any of the above, attach a copy of the employee's records audited and a detailed record of the calculations you performed to ensure compliance.**

4.4.5 If you answered NO to any of the above questions and you have now taken corrective actions, please provide: Evidence attached

- > evidence showing all records amended, and
- > payment of arrears to any affected audited employees, and
- > payment of arrears to any other affected employees from the past six years.

4.4.6 If you have not taken corrective actions explain why not:



## 4.5 Pay-As-You-Go (PAYG) holiday pay

In limited and specific circumstances employers and employees can agree to provide annual holiday pay together with, and in addition to, wages each pay day.

That arrangement for annual holiday pay may seem attractive but you must be sure that the employee's situation qualifies for this and that you have set it up correctly. Otherwise you may have to provide the employee with paid annual holidays in addition to the PAYG holiday payment.

Read the PAYG section (4.5) in the Guide and complete the following:

- 4.5.1 Did any of your employees on your full employee list receive their annual holiday pay paid with their wages each pay period? Yes  No

### If NO got to section 4.6

- 4.5.2 If YES, have you met your obligation to allow this only when the following applies? Yes  No

- › Did the employees work so intermittently or irregularly that it is impracticable to provide for four weeks annual holidays in the standard way?

#### OR

- › Were the employees on genuine fixed-term agreements for less than 12 months?

- 4.5.3 Was the PAYG arrangement is clearly recorded in the signed employment agreement? Yes  No

- 4.5.4 › Did the records (and any payslips) identify the 8% holiday pay rate as a separate component from the wages? Yes  No
- › Was the 8% paid in addition to their usual wages? Yes  No

**If YES to all of the above, attach a copy of the records of the employees audited to show consistency with the law on PAYG holiday pay.**

- 4.5.5 If you answered NO to any of the three questions above and have now taken corrective actions, please attach evidence showing the records amended and the reinstatement of annual holiday's entitlements. This may involve changing how you pay some employees and you may need to seek advice how best to manage the process. Yes  No
- 4.5.6 If you have not taken corrective actions, please explain why not: Yes  No



## 4.6 Cashing-up annual holidays

Annual holiday pay should generally only be paid when annual holidays are taken or employment comes to an end. However, employees can ask to “cash-up” up to one week of their holidays each year.

Read the ‘Cashing-up Annual Holidays’ section (4.6) in the Guide and complete the following:

4.6.1 Do you have a policy that employee requests for cashing-up annual holidays will not be considered? Yes  No

**If YES, go to Question 4.7**

4.6.2 If employees ask to cash up their annual holidays and you agreed, have you:  
 › cashed up the correct proportion allowed (up to a maximum of one week)? Yes  No

**AND**

› have you recorded it? None occurred

Attach evidence of the amount cashed up and what portion of annual holidays it related to. Evidence attached

**If no cash ups occurred go to Question 4.7**

4.6.3 If you answered NO to the above question and you have now taken corrective actions, please attach evidence showing: Evidence attached   
 › all records amended, and  
 › payments of arrears to any affected employees in the past six years.

4.6.4 If you have not taken corrective actions, please explain why not:



## 4.7 Public holidays

When a public holiday falls on an otherwise working day for them, employees are entitled to have that day off on pay. If an employee works a public holiday then they are entitled to be paid no less than time-and-a-half for their hours actually worked and if it happens to be an otherwise working day for them then they also earn an alternative holiday.

Read the 'Public Holidays' section (4.7) of the Guide. Use the wages and time records and holiday and leave records for your audit employee list for the whole duration of their employment if possible, and complete the following:

4.7.1	Did you correctly pay employees for un-worked public holidays that fell on their otherwise working days?	Yes <input type="radio"/>	No <input type="radio"/>
4.7.2	Did you pay at least time-and-a-half for each hour actually worked on a public holiday?	Yes <input type="radio"/>	No <input type="radio"/> Not applicable <input type="radio"/>
4.7.3	Did employees who worked a public holiday on an otherwise working day receive a paid alternative holiday?	Yes <input type="radio"/>	No <input type="radio"/> Not applicable <input type="radio"/>
4.7.4	If an employee was 'on call' on a public holiday, and they did not get called out but the nature of the restriction was such that they could not enjoy the holiday – did they receive a paid alternative day?	Yes <input type="radio"/>	No <input type="radio"/>
4.7.5	Are all public holidays and alternative holidays paid at the employee's Relevant Daily Pay (or Average Daily Pay where applicable)?	Yes <input type="radio"/>	No <input type="radio"/>
4.7.6	If a public holiday fell during a period of annual holidays, sick, bereavement or domestic violence leave for an employee – was the day treated as a public holiday, not as annual, sick, bereavement, or domestic violence leave?	Yes <input type="radio"/>	No <input type="radio"/>
4.7.7	If any of the public holidays that mondayisation applies to fell on a weekend for your employees – have you applied the mondayisation rules correctly to make sure that they received the correct pay (and alternative holidays) for the days in question? These days are: Christmas Day, Boxing Day, New Year's Day, the second day of January, Waitangi Day, and ANZAC Day.	Yes <input type="radio"/>	No <input type="radio"/>

**If YES to any of the above questions, attach the employees records audited and a detailed record of the calculations you performed to ensure compliance.**

- 4.7.8 If you answered NO to any of the above questions and you have now taken corrective actions, please provide evidence showing: Evidence attached
- › records amended, and
  - › payment of arrears to audited employees, and
  - › payment of arrears to all other affected employees from the past six years.
- 
- 4.7.9 If you have not taken corrective actions please explain why not:



## 4.8 Other leave

Beyond annual holidays and public holidays there are also minimum entitlements that must be provided for sick leave, bereavement leave and domestic violence leave. Employers also have obligations in relation to parental leave where employees are having or adopting children.

Read the 'Other Leave' section (4.8) in the Guide. Using the wages and time records, and holiday and leave records for your audit employee list for the whole duration of their employment and complete the following:

- |       |  |                           |  |
|-------|--|---------------------------|--|
| 4.8.1 | Once employees complete 6 months of continuous work does your system allot them at least 5 days sick leave for each ensuing year, and is unused sick leave allowed to accrue to at least 20 days in total?   | Yes <input type="radio"/> | No <input type="radio"/>   |
| 4.8.2 | Once employees complete 6 months of continuous work does your system allot them at least 10 days domestic violence leave for each ensuing year?<br><br>(An employee cannot carry forward any domestic violence leave not taken in any of those 12-month periods).  | Yes <input type="radio"/> | No <input type="radio"/>   |
| 4.8.3 | If you have any employees who are not continuous employees – have they also been entitled to sick leave and domestic violence leave when they have completed the following hours in a 6-month period:<br><br>‣ at least an average of 10 hours a week?<br><br><b>AND</b><br><br>‣ no less than 1 hour in every week or no less than 40 hours in every month? | Yes <input type="radio"/> | No <input type="radio"/><br>Not applicable <input type="radio"/> |
| 4.8.4 | Were employees who took sick leave and domestic violence leave paid at the correct rate of pay?  | Yes <input type="radio"/> | No <input type="radio"/><br>Not applicable <input type="radio"/> |
| 4.8.5 | Did you pay sick leave and domestic violence leave correctly to employees receiving ACC?   | Yes <input type="radio"/> | No <input type="radio"/><br>Not applicable <input type="radio"/> |
| 4.8.6 | Did you pay employees for bereavement leave taken at the correct rate of pay?  | Yes <input type="radio"/> | No <input type="radio"/><br>Not applicable <input type="radio"/> |

- |       |  |                           |  |
|-------|--|---------------------------|--|
| 4.8.7 | Did you pay any employees returning from parental leave correctly when they took annual holidays after their return to work? | Yes <input type="radio"/> | No <input type="radio"/><br>Not applicable <input type="radio"/> |
|-------|--|---------------------------|--|

**IF YES to any of the above questions, attach the employees records audited and a detailed record of the calculations you performed to ensure compliance.**

- |       |   |   |
|-------|---|---|
| 4.8.8 | If you answered NO to any of the above questions and you have now taken corrective actions, please provide evidence showing:<br><br>‣ records amended, and<br><br>‣ payment of arrears to audited employees, and<br><br>‣ payment of arrears to any other affected employees in the past six years. | Evidence attached <input type="radio"/> |
| 4.8.9 | If you have not taken corrective actions, please explain why not:   |   |



Ethical and sustainable work practices

Employer  
Self-assessment Checklist

# Summary of your self-assessment results

**Complete the table below to summarise the outcome of the self-assessment.**

For each criterion assessed tick the relevant outcome.

The table will provide an overview of areas which require attention.

## Self-assessment section

		Not applicable	Meets criteria (all criteria ticked in each section)	Not compliant – corrected	Not compliant – not corrected
1.1	Individual employment agreements				
1.2	Rest and meal breaks				
1.3	Employment status				
1.4	Eligibility to work in NZ				
2	Records				
3.1	Minimum wage				
3.2	Trials and probation periods				
3.3	Deductions from pay				
3.4	Premiums and direction on spending wages				
3.5	Equal pay				
4.1	Holidays - definitions and formulae				
4.2	Annual holidays – payment for holidays taken				
4.3	Annual holidays – pay at termination				
4.4	Annual holidays – closedowns				
4.5	Pay-As-You-Go holiday pay				
4.6	Cashing-up annual holidays				
4.7	Public holidays				
4.8	Other leave				



## Completion list

Once you have completed this self-assessment (including acting upon any corrections required) make sure you safely store all the related documentation with the Checklist. This record will provide a point of reference should you, your staff or any employee need to re-visit what was done and how conclusions were reached. It may also be that a Labour Inspector will want to see what was performed as part of your self-assessment process.

Using this completion list to ensure that you have attached all the following information to the Checklist document:

- › the full employee list
- › the audit employee list
- › copies of all written employment agreements used and intended agreements or current terms and conditions of employment
- › copies of all wages and time records and holiday and leave records used
- › calculation sheets used for the holidays definition and formulae section
- › calculation and working sheets you used for all sections of your self-assessment 
  - calculations
  - evidence of amended records
  - confirmation of any arrears payments.



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