

Employers have until 1 April 2017 to update their employment agreements.

March 2017

In 2016 changes were made to the Employment Relations Act 2000 regarding zero-hour contracts (called availability provisions), shift cancellations, secondary employment clauses and wage deduction clauses. The transition period for employers to comply with these new employment standards is almost at an end. As of 1 April 2017, all employers need to ensure that their employment agreements comply with the legislative changes.

We are finding that many agreements are not fully compliant. If you are not sure whether your employment agreements comply with the changes, we would be happy to conduct a review for you, and can agree a fixed fee for this work.

Do you use 90 day trial provisions? Recent Authority decisions impact on employers' termination rights

If you use 90 day trial provisions in your employment agreements, you need to be aware of recent decisions of the Employment Relations Authority, which cover two key areas of trial provisions.

The first set of decisions highlight the need to ensure that 90 day trial period clauses specify the date upon which the trial period is to begin. Failure to do may render your trial period clause invalid, and unable to be relied on when seeking to dismiss an employee during the trial period.

Another important decision confirms that in order to pay an employee in lieu of notice where they are dismissed during a 90 day trial period, employers need to make sure that the trial period clause itself allows for payment in lieu of notice during the trial – it is not enough that there is a general provision in the agreement for payment in lieu. If the trial provision does not contain this, then, unless the employee agrees to payment in lieu, they are entitled to work out their notice period and failure to allow this could render the termination unlawful.

If you would like more information regarding the above, or have any questions, please contact us.

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