

## Payment of wages

### How do I get paid?

Your employer has to pay your wages in cash unless:

- you're employed by the Crown (government) or a local authority – they can pay you by cheque
- you have given your employer written agreement, or you are away from work when wages are normally paid, in which case you can be paid by postal order, money order, cheque or direct credit
- your employment agreement permits some other form of payment.

Your employer can't tell you how to spend your wages.

### Can my employer take money from my pay?

Employers generally can't make deductions (take money) from employees' wages. Your employer can only do this:

- if you've agreed in writing. You can change your mind and your employer should then stop taking the money out within two weeks of being told, or as soon as possible (special conditions apply to collective agreements)
- if your employment agreement says the money can be taken out
- for overpayment if you've been absent from work without permission, or you've been on strike, locked out or suspended. Your employer must tell you before taking out any money, and take it out within two months of telling you
- if a Court tells them to
- for income tax, child support or other statutory purposes.

If money is taken out of your pay that you didn't expect, ask for an explanation. Then, if there is a breach of the Act or your employment agreement, you can get the money back. Call the Department of Labour on 0800 20 90 20 for information on how to do this.

## The employment relationship

This information has been designed to help you understand your minimum legal rights. It covers

- Minimum Wages
- Payment of Wages
- Deductions from Pay

## Further information and help

If you think your employer isn't meeting some of the minimum requirements in this pamphlet, or you have any other concerns about your employment relationship, the Department of Labour can give you information and assistance. This assistance may include being referred to a Labour Inspector or a Mediator.

**Call the Department of Labour on 0800 20 90 20 or visit our website [www.dol.govt.nz](http://www.dol.govt.nz)**

**▶ This pamphlet is a guide only and may not be accurate for all situations. It should not be used as a substitute for legislation or for legal or other expert advice.**

ISBN 0-478-28063-7

DOL103140 AUG 09

[newzealand.govt.nz](http://newzealand.govt.nz)

# Minimum Pay & Deductions

A GUIDE FOR EMPLOYEES



Department of Labour

TE TARI MAHI



## Minimum wages

### What is the minimum wage?

There are three minimum wage rates:

- the **adult minimum wage** applies to all employees aged 16 and over who are not new entrants or trainees
- the **new entrants minimum wage** applies to employees aged 16 and 17 except for those who have completed 200 hours or three months of employment, whichever is shorter; or who are supervising or training other workers; or who are trainees
- the **training minimum wage** applies to employees aged 16 and over who are doing recognised industry training involving at least 60 credits a year.

There is no statutory minimum wage for employees who are under 16 years old. A small number of people hold an exemption from the minimum wage.

The minimum wage rates are reviewed every year. Check the insert for the current minimum wage. For any extra time you work over eight hours a day or 40 hours a week you have to be paid at least the minimum hourly wage rate.

If you get board and lodgings with your job, your employer can take from your pay the amount agreed in your employment agreement. If there is no amount in your employment agreement, they can take up to 15% of your pay for board or 5% for lodgings.

If you think you are being paid less than the minimum wage, call the Department of Labour on 0800 20 90 20.

### What if I'm on a piece rate?

If you are on a piece rate where, for example, you get so many cents a kilogram for the fruit you pick, or so many dollars per garment you produce, the total amount you earn still can't be less than the minimum wage.

### Who gets the minimum wage?

You should get at least the minimum wage if you are 16 years of age and over, whether you are a full-time,

part-time or casual employee, a home worker, or paid wholly or partly by commission. The minimum wage doesn't apply to people who have an exemption.

### What is a minimum wage exemption?

If you have a disability, you may have trouble finding a job if your disability means you can't perform at the same level as someone without a disability. The Minimum Wage Act 1983 helps some people with disabilities to get work by allowing Labour Inspectors from the Department of Labour to give minimum wage exemptions. This means a lower minimum wage rate is set for a particular person in a particular job for up to a year. Call the Department of Labour on 0800 20 90 20 for more information.

## Wages & time and holiday & leave records

Your employer has to keep these records for each employee for six years. If you need to see your records, ask your employer. You and your authorised agent have a right to see them. Wage and time records must include the following information:

- your name
- your age, if you're under 20
- your postal address
- the type of work you are usually employed to do
- whether you are employed under a collective or individual employment agreement
- if employed under a collective agreement, the title and
- expiry date of the agreement and your classification under it
- the hours you worked each day, including the start time, finish time and any non-paid breaks taken, and the days you are employed during each pay period
- the wages paid to you each pay period and the method of calculation

- details of any employment relations education leave taken by you.

### Holidays and leave records must include the following additional information:

- the date on which your employment commenced
- the days on which you work, if the information is relevant to entitlement or payment under the Holidays Act
- your current entitlement to annual holidays
- the date you last became entitled to annual holidays
- your current entitlement to sick leave
- the dates any annual holiday, sick or bereavement leave was taken
- the amount of payment for any annual holiday, sick leave or bereavement leave taken
- the dates of and payment for any public holiday worked
- the number of hours worked on any public holiday
- the date on which you became entitled to any alternative holiday for any public holiday worked
- the dates of and payment for any public holiday or alternative holiday on which you did not work, but for which you had an entitlement to public holiday pay
- the cash value of board and lodgings provided to you
- the cash value of any alternative holidays that you have surrendered for payment
- the date your employment ended (if applicable)
- the amount of pay for holidays at the end of your employment (if applicable).