

Employment Law Snapshot – February 2009

From 1 March 2009

- The Employment Relations Amendment Act 2008 comes into force (see article about the new 90 day trial period legislation).

From 1 April 2009

- The minimum wage will increase from \$12 per hour to \$12.50 per hour (the current average national wage is \$12.65 per hour)
- Changes to KiwiSaver, including:
 - the minimum employee contribution rate will reduce from 4% to 2% of gross salary or wages;
 - compulsory employer contributions will be capped at 2% (although employers can agree to pay more);
 - the exemption from Employer Superannuation Contribution Tax will be capped at 2% of the employer's gross salary or wages;
 - the employer tax credit will be discontinued; and
 - the member fee subsidy will be discontinued from 1 April 2009 (leaving the employee tax credit of up to \$20 a week, the \$1,000 kick-start, mortgage diversion, deposit subsidy and the first-home withdrawal provisions).
- The Employment Relations (Breaks, Infant Feeding, and Other Matters) Amendment Act 2008 comes into force. This Act introduces statutory requirements for work breaks and requires employers to provide appropriate facilities and breaks for employees who wish to breastfeed or express milk in the workplace.

And watch this space...

Expect an announcement about what the Government plans to do with one of "Labour's Leftovers" in the next week or so. The Employment Relations Amendment Bill (No 3) proposes significant changes to the ERA in relation to casual and fixed term employees and employees in 'triangular' employment relationships.

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