

Nine-day Fortnight - Job Support Scheme Announced

The Government has announced that employees will be paid a fortnightly allowance of up to \$62.50 if they agree to work a 9-day fortnight. Prime Minister John Key has announced details of the Job Support Scheme, the concept of which emerged from last month's Jobs Summit. There will be no detailed legislation governing the Job Support Scheme - funds will be administered by the Ministry of Social Development. The Government has made it clear that it has had to move fast as "every day we hesitate, jobs are being lost".

So, what is the 9-day fortnight scheme and how could it affect your business?

Are you an eligible employer?

The scheme will be:

- available to private sector businesses only;
- available to employers with more than 100 full-time employees.

Are you an eligible employee?

- The scheme will only apply to employees who have been employed full-time for at least two months prior to going into the scheme;
- The scheme will only apply to employees whose employer employs more than 100 people on a full-time basis.

How does the scheme work?

- It will be available to employers from 27 March 2009 until 31 December 2010 - **but** only for a maximum period of six months to any employer within these dates;
- Will be available to up to 10 employees for each averted redundancy (ie up to 10 employees can "benefit" from the scheme if one employee is not made redundant as a result of the scheme);
- The Government's contribution will be paid direct to employers to give to employees it has negotiated a "voluntary agreement" with to reduce hours to a 9-day fortnight (ie employers

cannot force employees to work a 9-day fortnight under the scheme. The employer's statutory obligation to consult with affected employees and to obtain their agreement before reducing hours of work will continue to be mandatory);

- While employees are in the scheme they cannot be made redundant (although presumably, they can still be dismissed for serious misconduct or poor performance);
- Employers are able to "top up" the allowance if they wish.

The scheme is not...

- Available to public sector employers or small employers (ie less than 100 FTEs);
- Conditional on employees taking up training on the 10th day.

Watch this space...

- Prime Minister Key said the Government is also looking at how small businesses might be able to benefit from a similar scheme;
- More details about the scheme will be announced shortly and we will keep you informed.

Please do not hesitate to contact us if you have any questions about the Job Support Scheme.

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