

# PRESBYTERIAN PEOPLE

Employment news & information bulletin

Vol 3 Jan 2007

**Human resources team update**  
Welcome back! I trust you had a relaxing and enjoyable break.



Presbyterian Church  
of Aotearoa New Zealand

As noted in the December issue of Bush Telegraph, the Human Resources Manager, Marilla Hood, has resigned. Please forward any queries you have to Juliette Bowater, Human Resources Advisor on (04) 801-6000 or by email to [juliette@presbyterian.org.nz](mailto:juliette@presbyterian.org.nz).

## 2007

2007 looks to be a big year in terms of changes to employment legislation. One change that has already been prominent in the media is the increase in employee's minimum entitlements to annual leave. I will be discussing this at length in this bulletin.

Another big change will be the introduction of Kiwisaver in the middle of the year. I will be working with the finance team to ensure parishes are sufficiently resourced to be able to make informed decisions around this for their employees. More on this later.

## NOTICEBOARD

### Preparing for a pandemic or other emergency

Just a reminder, if you haven't already done so, to check out the website for more information on planning your parish's response to an emergency.

### Upcoming bulletins

Although we will have plenty of topics to talk about in 2007, please feel free to drop me a line if you have any questions you would like specifically addressed. Chances are, if you are wondering about something, others are too!

Questions and comments can be sent to [juliette@presbyterian.org.nz](mailto:juliette@presbyterian.org.nz).

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Holiday Entitlements

## Holiday Entitlements

From 1 April 2007 all employees will become eligible for a minimum of four weeks annual holiday on the date they next become entitled to annual holidays. For casual employees who are 'paid as they go' this will mean an increase from 6% to 8%.

### Planning for the increase

Parishes need to plan for the increase in entitlement now if they have not already done so. This is to avoid any 'unexpected' expenditure next year.

Where the parish uses an accounting package, it will be necessary to alter the rate at which leave is accrued.

### How will the increase work?

Although the minimum entitlement will increase on 1 April, the employee will not be entitled to the increase until:

- They reach their next anniversary date (based on when they began working for the parish; or,
- They terminate their employment on or after 1 April but before they reach their next anniversary date.

For example, an employee began working for a parish on 1 July 2002. Therefore their next anniversary date will be 1 July 2007. From this date they will have four weeks' leave (plus any other unused leave from previous years).

However, if that employee were to resign on 1 June 2007, they would be entitled to payment for unused leave from previous years up to 1 July 2006 and then 8% for the period of 1 July 2006 to 1 June 2007.

### Casual and fixed-term employees

Currently casual employees are 'paid as they go' at the rate of 6% for each period they work. After 1 April this will increase to 8%.

For fixed-term employees it is a little more complicated. Where their contract expires before 1 April 2007 they are paid at the rate of 6% for unused leave, where their contract is for less than 12 months. However, if their contract expires on or after 1 April 2007 they are entitled to be paid at the rate of 8% for unused leave.

**Working out entitlements and anniversary days for individual staff**

It is important to remember that the increase to four weeks is a minimum entitlement – you will still need to refer to the employment agreements of each staff member to ensure you are honouring any other provisions. In particular you need to check whether the employee is already entitled to four weeks. If this is the case you need to check the wording of the agreement, carefully.

If the agreement merely states that the employee will receive a certain number of weeks leave then this still stands (assuming it is four weeks or more). However if the clause is worded that the employee will receive the minimum plus an additional number of weeks you will need to review whether or not this is feasible (in terms of staffing numbers, cost of the extra leave etc). If it is not feasible you will need to discuss this with your employee with a view to changing the clause.

If you find yourself in the situation where you need to change an employment agreement, please feel free to contact me to discuss this.

**Leave in exchange for cash**

Employees may ask their employer to exchange unused leave for a cash payment. However this only relates to leave that is additional to the minimum requirement.

If employees or employers are thinking of exchanging leave for payment this year, the employer should first consider the implications of the phasing-in of the increase in entitlement.

Using our example previously, our employee will reach their anniversary date (and therefore four weeks of leave) on 1 July 2007. If the employee did not use any of their leave between 1 July 2006 and 1 April 2007 they cannot be paid-out for any of this leave.

Likewise, if our employee is currently entitled to 'four weeks leave' for the period 1 July 2006 to 1 April 2007, which they do not use, they cannot be paid-out because at their next anniversary their entitlement will match the minimum requirements.

However, if our employee was instead receiving the 'statutory minimum plus one week' they may ask for one week to be paid-out as they would still be entitled for four weeks leave at their next anniversary date (bringing their entitlement to a total of five weeks).

Note where an employee is entitled to leave over and above the minimum requirements in previous years (i.e. the period 1 July 2005 to 1 July 2006) they can ask for leave to be paid-out (but only for the additional portion).

**Further information**

Parishes are invited to call either myself or the finance team to request additional information, or for assistance with working out employee entitlements. Queries can be referred to [juliette@presbyterian.org.nz](mailto:juliette@presbyterian.org.nz) or [margaret@presbyterian.org.nz](mailto:margaret@presbyterian.org.nz).

