

Employment Agreements

From the 1st July 2011 it is compulsory for every employee to have a written employment agreement. Employers must also retain a signed copy of this agreement or a signed copy of the current terms and conditions of employment.

COLLECTIVE OR INDIVIDUAL AGREEMENTS?

An individual employment agreement is the one most commonly used in non-profit groups. Collective agreements are negotiated between a registered union and the employer.

MANDATORY CLAUSES

There are certain clauses that **must** be included in the agreement:

- name of the employer and name of the employee;
- title of the position;
- duties of the position;
- place and hours of work (including lunch hours, breaks etc);
- salary or wages payable;
- payment on public holidays and the employees entitlements under the Holidays Act 2003;
- information on resolving any employment problems;
- information regarding the employees rights on sale or transfer of the business.

OTHER CLAUSES

Some other clauses can also be included such as benefits to the employee, health and safety, and certain other employment obligations.

For detailed information on how to structure your employment agreement and a full list of clauses and examples etc go to:

www.dol.govt.nz/agreementbuilder

This is a tool on the Department of Labour website which can help you put together an agreement step by step.

You can also contact your Venture Southland Community Development Planner for assistance with this.

PART-TIME, CASUAL, & FIXED TERM EMPLOYEES

The minimum requirements for employment agreements that apply to full-time employment positions also apply to part-time, casual, & fixed-term positions – with a few exceptions.

Casual Jobs

In some cases the time given for the potential employee to consider a casual position may be shorter – for example when the employment is immediate in nature. It may also not be feasible to provide four weeks annual leave where an employee's hours are very intermittent or irregular. In this instance it is possible to offer them "pay as you go" holiday leave. This must be detailed clearly in the employment agreement. See www.dol.govt.nz/er/holidaysandleave or phone the Department of Labour on 0800 20 90 20 for more information.

Fixed-Term Contracts

A fixed-term contract can only be entered into where there is a legitimate reason for doing so. This could be where:

- a replacement is required for a staff member on parental leave;
- the work relates to a one-off project;
- the work is seasonal.

You must include the reason for and the period of the fixed-term in a clause in the employment agreement. Where the fixed-term is less than 12 months annual holiday pay can be made on a "pay as you go" basis – if the employee agrees. This must be set out clearly in the employment agreement. See www.dol.govt.nz/er/holidaysandleave or phone the Department of Labour on 0800 20 90 20 for more information.

TRIAL OR PROBATION PERIODS

Trial Periods

As of 1st April 2011 employers can employ new employees on a trial period of up to 90 days. This trial period must be clearly detailed in the employment agreement and agreed to in good faith.

A trial period cannot be agreed to if they have been employed by you previously, and it does not affect their entitlements to holidays and leave.

If any problems occur within this trial period the employer and employee have access to mediation services.

Probation Periods

Any probation period must be clearly stated (including its duration) in the employment agreement, and agreed to in good faith between the employer and the employee. You must also state realistic expectations for performance during the probation period. This can be stated in the employment agreement or in the letter offering the position to the employee.

The employee must be treated fairly and reasonably before any decision is undertaken to dismiss them, and if any issues do arise they should be discussed with the employee and they should be given the chance to improve their performance with your guidance and support.

WHAT IS "GOOD FAITH"?

Establishing and maintaining good faith relationships is the basis of the employment relations system in New Zealand, for both collective and individual arrangements.

Some key expectations of a good faith relationship:

Employers, employees and unions should be responsive and communicative with each other.

The employee's employment agreement should reflect genuine discussion and negotiation.

The employee should have access to appropriate information when the employer is making decisions that may affect his/her job.

Problems that arise should be dealt with in a manner that is consistent with what a reasonable person would do.

(taken from the Department of Labour website)

Information prepared by



LINKS / WHERE TO GO FOR MORE INFORMATION:

www.dol.govt.nz/er/ (Dept of Labour)

www.employmentrelations.co.nz

www.keepingitlegal.govt.nz

For more information or help you can also contact your local Community Development Planner at Venture Southland:

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Ph: 03 211 1400

enquiry@venturesouthland.co.nz

www.southlandnz.com