**Employment Relations Act changes**

The following law changes came into effect earlier this month (6 May):

* 90-day trial periods are for SMEs only. Employers with fewer than 20 employees on the morning of the day the employment agreement is entered into, can use the provision. Trail periods entered into before 6 May 2019 remain effective, regardless of the employer’s size.
* Rest and meal breaks are now prescribed by law. Parties can agree (in writing) on timing, and exemption is available for the maintenance of essential services.
* Union delegates can get reasonable paid time off when representing union members, provided it does not unreasonably disrupt business or the delegate’s work. The delegate must advise when and for how long they will be doing union work.
* It is compulsory to conclude collective bargaining, unless there is a genuine reason not to. In certain circumstances there may be good reasons to resist being forced into a MECA.
* Collective agreements must include wage and salary rates.
* Where there is a collective agreement, unions can ask the employer to provide information (that they supply at their cost) about the union and its functions, to new employees who are not members. Unless the employer objects within 15 working days, they are deemed to have agreed to the request. The only grounds for refusal are that the information is confidential, or is about the employer, or could mislead or deceive the new employee, or would significantly undermine bargaining between the new employee and the employer.
* More controversially, employers must provide such new employees with a form for recording their name and whether they wish to join a union. The form has been prepared by MBIE and is available online\*. While the employee can choose not to complete the form, the employer must still pass the employee’s name on to the union, and say that the employee did not return the form.
* New employees are automatically covered by a workplace collective for the first 30 days of employment, if they are not a member of that union. It is illegal to employ them on the basis that any term or condition will automatically reduce after the 30 days. New employees must be informed accordingly and provided with a copy of the collective.
* All employees are now covered by the continuity of employment provisions (restructuring situations).

\*the form and a guide for employers are at - <https://www.employment.govt.nz/assets/Uploads/c3173a524a/form-to-indicate-intention-to-join-union.pdf> and <https://www.employment.govt.nz/assets/Uploads/13d74dbe3a/guidance-for-employers-in-providing-the-form.pdf>

 A number of RVA employment templates and guides (in the Members’ section of the Association website) have been updated. Two new guides, on the Domestic Violence – Victim’s Protection Act and on flexible working (including for short-term domestic violence), have also been added.

**ACC Compensation Amendment Bill improves wellbeing**

The Government is able to improve the wellbeing of older working New Zealanders with the passing of the Accident Compensation Amendment Bill says the Minister for ACC Iain Lees-Galloway.

He says that the law change will bring improvement by addressing a number of gaps and technical issues in the ACC scheme to help keep the system fair, transparent and accessible for all claimants.

Mr Lees-Galloway says “The Bill also removes the disadvantage for ACC claimants injured near to, or after retirement age. They will no longer have to choose between weekly compensation and New Zealand Superannuation or the Veterans’ Pension after receiving a year of both. They will now be able to receive up to 24 months of weekly compensation and New Zealand Superannuation at the same time.

“The changing nature of work means that people are staying longer in the workforce. Many of those over 65 continue to receive earnings from work alongside superannuation. This change ensures that the income they receive after suffering an injury will be a closer reflection of their financial situation had they not been injured.

Other amendments proposed under the Bill include –

* clarification of the current transitional provisions to ensure that all claimants who are close to, or above, superannuation qualification age receive up to 24 months of weekly compensation
* allowing surviving spouses and dependents to receive up to five years of weekly compensation, regardless of age

 (Source NZ Government.)

**Credit Contracts Legislation Amendment Bill**

This Bill has been introduced into Parliament, and the Select Committee is taking submissions - <https://www.parliament.nz/en/pb/sc/make-a-submission/document/52SCFE_SCF_BILL_86627/credit-contracts-legislation-amendment-bill>.

**If you consider that your staff have a view in the matter, please alert them to the invitation. The deadline for submissions is 14 June 2019.**

The Bill is the result of a review that identified ongoing issues in the credit market and significant harm to vulnerable consumers from problem debt. The issues identified included the excessive cost of some consumer credit agreements; continued irresponsible lending and other non-compliance, including by mobile traders; unreasonable fees; and irresponsible debt collection practices.

Key changes include the following:

* a limit on the accumulation of interest and fees on high-cost loans to 100% of the original loan principal, over the life of the loan. This will apply only to loans with an annualised interest rate of 50% or more
* all directors and top executives of lenders offering consumer credit contracts will be required to meet a “fit and proper person” test in order for the lender to register on the Financial Service Providers Register. This requirement will also apply to mobile traders. Directors and top executives of lenders will have new duties to ensure that lenders comply with the Credit Contracts Act
* enforcement provisions will be strengthened, including by providing civil pecuniary penalties and statutory damages for breaches of lender responsibility principles
* regulation-making powers will provide for greater prescription about how assessments of affordability and suitability must be conducted. The presumption that lenders can rely on information provided by borrowers and guarantors without objective verification will be removed
* debt collectors will be required to disclose key information about the debt to the debtor, at the commencement of debt collection action.

As a package, the changes are intended to reduce problem debt and resulting consumer harms (such as financial hardship and mental and physical health issues).

(Source NZ Parliament)

***This article is brought to you by the WGANZ free employment helpline 0800 692 384. If you have any questions or would like to discuss the article above, please call Philip or Anthony on the helpline.***