



CRA BULLETIN

Issue 37 – 24 October 2007

Signed: _____ Dated: _____

EMPLOYMENT LAW INFORMATION

Minimum wage rates

The Minimum Wage Act 1983 (recently amended) provides statutory minimum wage levels.

The current minimum wage rates, before tax, are:

- 18 years and older - \$11.25 per hour
- 16 and 17 years - \$9.00 per hour

There is no minimum wage for employees under 16 years of age.

The minimum training wage is set at the same as the minimum youth rate.

If you pay an employee by commission only or on piece rate, they are still entitled to a minimum wage. The total amount they earn must not be less than the minimum wage. One exception to this is if you employ someone who because of a recognised disability would be incapable of earning the minimum wage. In this case you can apply for an under rate permit which would allow the employee to work for less than the minimum rate.

You are required by law to keep all records of pay for a minimum of six years.

Youth pay rates to change

As of the 1st April 2008, 16 and 17 year olds will be eligible to earn the adult minimum wage if they have worked for three months or 200 hours which ever is the sooner. This does not have to be with the same employer, and work carried out before the 1st April counts towards the total.

They will also be eligible to earn adult minimum wage rates if they are responsible for managing and/or training other staff.

The youth and adult minimum wage rates are set to increase again soon. There has been some confusion regarding these changes, with some staff members claiming that youth minimum wage rates have been abolished. This is certainly not the case.

Other information

- Employees now have an entitlement to 8% holiday pay or 4 weeks annual leave at their anniversary.
- Employers are calculating 'Statutory Days' pay based on an eight hour day rather than calculating the relevant daily pay - this will catch up if it's wrong. Some employers now owe many thousands of dollars in back pay.