



CRA BULLETIN

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TIME AND WAGE RECORD-KEEPING

As an employer, you must keep wage and time, and holidays and leave records that comply with the Employment Relations Act 2000 and the Holidays Act 2003. In particular, you must be able to show that you've correctly given your employees all minimum employment entitlements such as the minimum wage and annual holidays.

Good record-keeping makes sure that an employee's pay and leave are correct, prevents misunderstandings and protects the employer and the employee if there is a problem. Your employees have the right to know everything you are recording on their file and have the right to see these records.

While all the record-keeping requirements may not seem necessary, they're needed to show a clear picture of each day in an employee's working year, that is, which days were worked, not worked, on leave and what type of leave, and so on. This information is used to calculate different types of pay for such leave as annual holidays or sick leave, and entitlements such as parental leave.

For employers with fully computerised payroll software, maintaining the records can be easier, but you still need to check your payroll system to make sure it accurately records any changes to employees' hours and pay.

For employers with manual systems, it can be harder to stay on top of recording everything.

Ways to keep records and for how long

- Keep records on paper or electronically (as long as the information can be accessed easily and converted into written form).
- Keep wages and time records, and holiday and leave records for seven years (even if the employee has left).
- Keep a signed copy of the employment agreement, or current signed terms and conditions, or intended employment agreement (and employees must be given their copy if they ask for it).

Timesheets

- Keeping accurate records is easier if employees fill out timesheets.
- If an employment agreement (or workplace policy) says that employees need to fill out timesheets this can't be changed unless the employer and employee agree.
- If an employee doesn't put in timesheets correctly as agreed, this doesn't mean they don't get paid. In this situation, the employer and the employee should try to agree on what to do.

Records that employers must keep for each employee

- Name, postal address, age (if under 20 years) and the date they started working.
- The kind of work they are employed for.
- The wages paid in each pay period and how these have been calculated.
- The dates they last became entitled to annual holidays and sick leave and their current entitlement to annual holidays and sick leave.
- The dates of leave taken, including annual holidays, sick leave and bereavement, and payment received for each.
- Any annual leave cashed up as well as the date and amount paid for each entitlement year.
- The dates and number of hours worked on public holidays and the payment for these; the date (or 24-hour period) the public holiday or any part of it has been transferred to, and the date the employee became entitled to any alternative holiday (day-in-lieu).
- The dates of, and payments for, any public holidays or alternative holidays they didn't work but were entitled to holiday pay.
- The cash value of any alternative holidays they gave up for payment.
- The date when employment ended, and the amount of holiday pay they received at the end of employment.
- A copy of their tax code declaration (IR330).
- The number of hours worked each day in a pay period and the pay for those hours. If these are agreed and they work them as usual hours then a statement of those usual hours and pay will be enough. This can be recorded in:
 - the wages and time record
 - employment agreement
 - a roster
 - any other document or record normally used during employment.

For an employee on a salary, usual hours include any additional hours worked that are consistent with the employment agreement. However, an employer must record additional hours if they're required, to have records in enough detail to show that they're complying with minimum entitlements.

Records that employers should keep

- Records of all wage deductions, such as PAYE, student loan deductions and superannuation contributions, and any agreements for wage deductions.
- Requests to transfer public holidays (and whether or not these were agreed to).
- Requests to cash-up annual holidays (and whether or not these were agreed to).
- Dates that any extra provisions in employees' employment agreements take effect.
- Records of the date employees become entitled to sick and bereavement leave (to avoid disputes).
- Evidence of compliance with health and safety responsibilities.
- Evidence of rest and meal breaks provided (or compensation for these).
- Copies of employees' personal contact details, such as their email addresses, home phone and mobile numbers, if they want to provide these.
- In case of emergency (ICE) contact details.
- Employees' bank account details if this payment method has been agreed to.
- Details of employees' work permits, if applicable.

What happens if an employer doesn't keep accurate records

If an employer doesn't keep all the accurate wage and time, holiday and leave records as required by the Employment Relations Act 2000 and the Holidays Act 2003:

- the Employment Relations Authority (ERA) or a Labour Inspector may give them a penalty. This could be up to \$50,000 for an individual; or for a company, the greater of \$100,000 or three times the amount of the financial gain made, or
- a Labour Inspector can issue an infringement notice for breach of the record keeping requirements (an infringement offence).