

NEWSLETTER



Pay Check

PAYROLL UPDATE | JULY - 2022 | WWW.PAYCHECK.NZ

Halfway There!

It's hard to believe we are now halfway through the year already! We hope you have all managed to stay as well as possible throughout this winter flu period.

With that in mind, it might be time to brush up on your knowledge around sick leave legislation.

What are your obligations when an employee is sick?

It seems that we are constantly surrounded by chills and ills this winter, and even with the best health and safety procedures in place, it's inevitable that staff or their dependents, will be off sick sooner or later.

Minimum Entitlements:

On 24 July 2021 the minimum entitlements for sick leave changed from 5 days to 10 days after 6 months of employment. This means that even an employee who only works 1 day per week may be entitled to have 10 paid sick leave days off, on days that would have otherwise been a working day for them.

All employees including casual employees are entitled to sick leave if they work for an average of 10 hours per week, and at least one hour in every week or 40 hours every month.

If an employee has no current sick leave entitlement, you can advance this leave if you choose to. However, please be aware that if the employee leaves while they still have a negative balance, that it will need to be agreed in writing if you are wanting to deduct this advance from their final pay. Alternatively, an employee can use annual holidays or unpaid leave if they have run out of sick leave.

If any employee (or their spouse, partner or dependent) falls ill before or during a period of annual holidays they can change the days they are sick or injured to sick leave instead of annual holidays if the employer agrees. The employer may wish to get proof of illness/injury before changing this leave.

An employer may ask for proof of illness or injury. If the employee is sick or injured less than three days, the employer must compensate the employee for the reasonable costs associated with getting proof i.e., a visit to the doctor. If it has

been three or more days in a row, then this would be at the employee's expense.

Payment of Sick Leave:



Sick leave should be paid based on an employee's relevant daily pay in the first instance. This means that the employee should receive what they would have earned if they were at work on that day. This includes regular taxable allowances, commissions and

bonuses, overtime payments and accommodation allowances where applicable. Non-taxable reimbursing payments do not form part of an employee's relevant daily pay.

If an employee is highly variable and determining relevant daily pay is impractical, then average daily pay can be used. Average daily pay is the employee's gross earnings over the last 52 weeks divided by the number of whole or part days the employee worked or was on paid leave during that period.

There is no requirement to pay out sick leave on termination. There is also not currently any requirement to show sick leave balances on pay slips, however an employee may request this information at any time.

If you need assistance on how to make these payments via your payroll, please don't hesitate to get in touch with our friendly team.

Building Damage

WE ARE OPEN!! However, we still don't have a window. Hopefully this won't be too far away. In the meantime, feel free to pop in and see us if you're in the area or need to come and chat to us about anything payroll related.

Watch this space....

The Great Southern Payroll Conference is happening again this year on 20th October 2022! Details to come...

Our website has had a bit of a spruce up – check it out at www.paycheck.nz.



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