

Hiring employees in New Zealand

Employer information factsheet



Introduction

New Zealand is a developed nation with a GDP of \$249.9 billion USD and a population of over 5 million people. It is well known for ranking highly in international comparisons of national performance such as quality of life, education and economic freedom.

New Zealand's employment landscape is governed by legislation and common law which covers all aspects of the employment relationship and employment contract. The statutory framework imposes a mutual duty of good faith in exercising all employment rights and obligations.



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Key facts

Employment terms

Timezone	GMT +12, subject to Daylight Savings in summer
Currency	New Zealand Dollar (NZD)
Capital city	Wellington
Official language	English, Māori, NZ Sign Language
Ease of doing business	Very friendly to business (#1 out of 190 countries)
Minimum wage	NZD 22.70
Employer retirement contribution: Kiwisaver	<p>KiwiSaver is a voluntary retirement savings scheme.</p> <p>If an employee chooses not to opt out, they must contribute a minimum of 3% up to a maximum of 10% which is deducted from their salary.</p> <p>Where an employee is enrolled in Kiwisaver, employers must provide a contribution of 3% in addition to the Employee's total compensation.</p>
Working hours	The standard full-time working hours are 8 hours a day, 40 hours per week.
Public holidays	<p>Every employee is entitled to a maximum of 12 public holidays:</p> <p>New Year's Day Day after New Year's Day Waitangi Day Good Friday Easter Monday Anzac Day King's Birthday Matariki Labour Day Christmas Day Boxing Day Regional Anniversary Day (date dependent on location)</p>
Statutory employer cost	Approximately 4.5% – Comprising 3% Employer contribution to Kiwisaver (pension) and 1.5% ACC (worker's compensation).
Customary benefit cost	0.0%
Time to onboard	From 1-3 days

Overtime	If the employer and employee agree in writing (eg. in the contract) there is no legal requirement to pay overtime. However, there are some restrictions on unpaid overtime, including that it must not result in the employee earning less than the minimum wage.
Probation period	Employers determine the length of probation, which varies depending on the nature of the business and the role. Probation periods are typically three or six months.
Payroll cycle	There are no legal requirements as to when an employee needs to be paid but employees are typically paid fortnightly or monthly.
Annual/holiday leave	<p>Full-time and part-time employees are entitled to at least 4 weeks paid annual leave a year. Employees can access their annual leave after 12 months of continuous employment and unused leave accrues year to year.</p> <p>During the first 12 months employees may take annual leave in advance by agreement with their employer.</p> <p>Unused annual leave is paid out to the employee at termination.</p>
Sick Leave	<p>Employees are entitled to a minimum of 10 days paid sick leave annually after the first six months of continuous employment and an additional 10 days paid sick leave after each subsequent 12-month period.</p> <p>Unused leave is not paid out to the employee at termination.</p>
Parental Leave	Parental leave in New Zealand covers maternity and paternity leave and is comprised of primary carer leave, special leave, partner leave, extended leave, and negotiated carer leave.
Primary carer leave	<p>Known as primary carer leave, mothers are entitled to take up to 26 weeks primary carer leave. To be eligible, employees must have worked as an employee for at least 10 hours a week for any 26 weeks of the 52 weeks before the due date.</p> <p>Parental leave payments are funded by the government. Eligible employees will receive their average weekly income up to a maximum of NZD \$712.17 per week.</p>
Partner leave	Partners are entitled to one week unpaid leave after six months of employment and two weeks of unpaid leave after 12 months of employment.
Other leave	<p>Bereavement leave – 3 days paid leave each year</p> <p>Family violence leave – 10 days of paid leave each year</p> <p>Jury service leave – employers must allow an employee to attend jury service. Jurors are entitled to a small payment from the Ministry of Justice for their attendance.</p> <p>Special leave – 10 days of unpaid leave are given for any pregnancy-related reasons.</p> <p>Extended leave – up to 52 weeks unpaid for a parent who has been employed for at least 12 months, less any primary carer's leave taken and 26 weeks for a parent who has been employed for at least 6 months.</p>

Notice period	If the employer and employee agree in writing (eg. in the contract) there is no legal requirement to pay overtime. However, there are some restrictions on unpaid overtime, including that it must not result in the employee earning less than the minimum wage.
Termination	<p>IT IS IMPERATIVE THAT YOU SEEK PROFESSIONAL ADVICE BEFORE TAKING ANY ACTION ON TERMINATION.</p> <p>An employer must provide notice when ending an employee's employment (with the exception of dismissal due to serious misconduct).</p> <p>In all cases, the employer must have a good reason for the dismissal and follow a fair process.</p>
Severance	<p>Severance payments include the hours worked until the final day and any unused annual leave or days in lieu payments.</p> <p>Additional payments are either specified in the employment agreement or negotiated as a part of the leaving package.</p>
Workers compensation: Accident Compensation Corporation (ACC) levy	<p>The ACC Levy funds a government accidental injury compensation scheme. Employers are required to pay a work levy and working safer levy each year. Currently the applicable rate is 1.5% of total compensation.</p>
General liability & professional indemnity insurance	2% of total compensation.

Additional resources

[Employment New Zealand](#) (ENZ)

ENZ is a government body which provides employment and best practice information for both employers and employees.

[WorkSafe](#) (WS)

WS is New Zealand's primary workplace health and safety regulator.

[Inland Revenue Department](#) (IRD)

IRD is the principal revenue and taxation agency of the New Zealand Government.

[Immigration New Zealand](#) (INZ)

INZ is responsible for administering New Zealand visas and Citizenship.



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Anna Oxley Rintoul, Head of People & Culture, Eden Brew

Eden Brew

"The good thing about Employment Hero is that they're on this journey with you as I'm new and trying to figure things out. We've got a kind of partnership helping us understand local employment and ensure we're hiring legally."

Ariane Sarabia, Global Talent Acquisition Specialist, Elabor8



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people, payroll
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