

## Common Mistakes While on Probation

With strong employment growth reported for 2014 (*Published in our February Issue*), it is expected that the recruitment of new staff will also be on the rise. This article will provide you with some advice on how you can avoid some of the common mistakes made by numerous employers with the "90 Day Trial Period" in justifying the dismissal of an employee.

So, what are the **top 5 most common mistakes** employers are making in implementing the probationary period clause of the Employment Relations Act?

1. No written agreement was provided to the employee prior to commencing employment – the absence of a signed employment agreement containing the 90 day trial period will be deemed that the employee is employed as permanent staff;
2. The employee did not receive an employment contract;
3. The employer failed to retain a signed employment agreement from the employee prior to commencement date;
4. The applicant was a previous employee;
5. The content of the employment agreement does not meet the requirements as prescribed in section 67A of the Employment Relations Act 2000.

In order for the "Probation Period" clause to hold validity, it must adhere to the following:

- The trial period must be in writing and is contained in the employment contract – s67A(2)
- The trial period clause must state, or be to the effect that (s67A(2)):
  - the employee is to serve a trial period of no longer than 90 days
  - during that period, the employer may dismiss the employee
  - if the employee is dismissed during the trial period, the employee is not entitled to bring a personal grievance or other legal proceedings in respect to the dismissal.
- The employee was not previously employed by the employer; the trial period clause needs to be provided to the applicant as part of the initial offer of employment – s67A(3)
- The employer is obligated to provide the employee with a copy of the signed agreement – s63A(2)(a)
- The employer must advise the applicant that they are entitled to seek independent advice – s63A(2)(b)
- The employee must be given a reasonable opportunity to seek advice about the terms and agreement of the contract of employment – s63A(2)(c)

We do not wish for you to get caught out! Hopefully this article will prompt you to review your recruitment process with the information provided above. Should you want to know more about the section 67A of the ERA 2000 follow the link below:

<http://www.legislation.govt.nz/act/public/2000/0024/latest/DLM1867204.html>

## Changes to IRD Payment Services

From **1 October 2014**, Inland Revenue are making a few changes to the way that customers make payments and return forms to them. For instance, customers will no longer be able to make cheque payments or drop off returns or forms at a WestPac Bank branch, which may be an inconvenience. They will however, be able to continue to make cash and eftpos payments at their respective WestPac branch.

In addition, from **1 October**, all payments posted to Inland Revenue will need to be received by Inland Revenue on or before the due date to avoid penalties and interest. This means cheque payments can no longer be posted on the due date.

For all customers that use Datacom Payroll as their registered PAYE Intermediary, the above changes means there is nothing that you need to worry about. We will continue to manage your filing and payment commitments on the due dates, and you can carry on about your business as normal. For customers that are not currently using us as their PAYE Intermediary, this is a good opportunity to discuss this option with us. We are more than happy to explain the process and assist in getting you set up so that penalties and interest for late filing or missed payments becomes a thing of the past.

Give us a call on **0800 72 97 97** and speak to one of our consultants.

## Goodie Bag Giveaway

Want to get your hands on a "Goodie Bag" worth up to \$150? Here's your chance!

Entry is simple, all you have to do is to submit your answer by **25 July 2014** to: [Answers@datacom.co.nz](mailto:Answers@datacom.co.nz)

If your answer to the question below is correct, you will automatically be in the draw to win!

### The Question –

In respect to parental leave, what is the full term for abbreviation PPL and PTC mean?

A winner will be drawn by **31 July 2014** and the winner will be notified through post/email and/or in the **August 2014** issue of our Respondent publication.

# Up in the Cloud

## Client Testimonial – Q & A with Eagle Airways

Eagle Airways is a wholly owned subsidiary of Air New Zealand and operates on the ANZ domestic route network. Since its inception in 1969, Eagle Airways has grown from a single aircraft flight training school into a regional airline.

Today, Eagle Airways provides public air transport and connects thousands of people to 21 destinations across New Zealand more often than anyone else. Operating over 130 flights per day, the Company employs over 240 staff.

We had a “One on One” with Martyn Vincent to find out what he thought about our enterprise payroll system, DataPay:

### 1. What do you feel are the most positive points about the DataPay Payroll System and our Service?

We found that all the statutory legal and taxation requirements are complied with and it is in accordance with all legislation requirements and changes. It is all administered in a timely manner which we do not have to worry about now. And as a customer we are kept up-to-date with any changes through direct communication.

### 2. Is there anything you feel makes DataPay stand out from your previous payroll providers for Eagle Air?

With DataPay, it has the facility to customise all data on file with the various types of contracts we have within our organisation.

### 3. Do you feel there is a benefit to using DataPay as opposed to another provider?

Datacom Payroll has a relatively simple process for running a payroll, especially for a complex payroll and variety of contracts we have.

Attributes of the DataPay System:

- (a) Customer support available at any time
- (b) Access to website and online processing
- (c) Regular software updating by Datacom to enhance the system.
- (d) On line facility for employees – DataESS

“Since Eagle Airways Ltd went onto DataPay and DataESS, our staff are not asking our payroll team to confirm their Annual Salary for their bank loan applications etc. because this is available on-line. Our employees are now able to enter their work timeframes and get their customised information when they want.”

- Martyn Vincent, Finance Manager.



## LAST COMPETITION WINNER

**Congratulations to Aynsley Staessens from Wakefield Metals who was our winner from the previous competition.**

Thank you for your submission to those who entered. We wish you all the best for the latest competition on the other side of our newsletter.

## Paid Parental Leave Extension Plan

**New Zealand Budget 2014 has delivered a slight boost to the Government's Paid Parental Leave (PPL) scheme. Along with extending the amount of paid leave, some changes have been made to the eligibility criteria and flexibility of the scheme.**

The PPL will rise to 18 weeks from the current 14 weeks. The total four weeks extension will be over the course of a 2 year period. The initial extension will commence from **1 April 2015**, with an additional of two weeks to be included from **1 April 2016**.

The eligibility of PPL will be extended to caregivers other than parents (e.g. “Home for Life” caregivers or similar permanent care arrangements such as those with parenting orders and grandparent caring for grandchildren will become eligible).

People in a less-regular jobs, those in “Seasonal” or “Casual Employment” (i.e. if they work an average of at least 10 hours a week with any employer over the course of 26 of the previous 52 weeks) or those who recently changed jobs will also qualify to apply for parental leave payments. This change will also come into effect on **April 1 2016**.

The changes to the PPL will provide some level of flexibility which allows an employee on parental leave to work an occasional day or attend activities such as training and planning days. The arrangements will be with the agreement of both the employer and the employee and be limited by law.

Parental Tax Credit (PTC) will increase from a maximum of \$150 a week for 8 weeks to \$220 a week for 10 weeks, from **1 April 2015**. It is targeted at lower income families as it is only available to families with a new-born who are not on a benefit and do not qualify for paid parental leave.

In addition, free GP visits and prescriptions for children under the age of 13 will be provided for starting **1 July 2015**.

For more information on the 2014 Budget, please follow the link: <http://www.treasury.govt.nz/budget/2014>

We have a pay system just right for your business.



**DATACOM Payroll**

To get time back to work on your business, call:

**0800 72 97 97**

We'll discuss what will suit your needs - big or small.

[www.datacompayroll.co.nz](http://www.datacompayroll.co.nz)