

# NSNZ NOTICE – TE WHATU ORA PAY EQUITY UPDATE

## An update on some interim pay equity implementation matters and developments

- Overall, the process of paying Te Whatu Ora nursing staff the interim pay equity (PE) entitlements has gone well. However, a few issues have occurred and we have raised some of these with Te Whatu Ora. Additionally, there have been some important changes to the implementation of the process.

### FORMER EMPLOYEES

- Te Whatu Ora has confirmed that it has now decided that the interim PE payments (lump sum and back pay) will be paid on request to former Te Whatu Ora nursing staff whose employment was terminated between 7 March 2022 and 14 December 2022.
- Payroll managers for the various regions have just (today) been given direction by the PE implementation team about how to implement this decision, and information in a FAQs notice update will be published on the Te Whatu Ora website), which will advise on eligibility and the process for application.
- Previously, Te Whatu Ora nursing staff who terminated employment before 14 December 2022 were deemed ineligible for the current interim PE payments. They were expected to have to wait until the final PE determination in 2024 or later to receive any PE benefits.

### THREE-MONTH BREAK

- Te Whatu Ora employees who have had an employment break of three months or more within the period 7 March 2022 to 14 December 2022 are entitled to the interim PE lump sum and the back pay payments, if they would otherwise be eligible by virtue of their employment history.
- Current employees should have received their PE back pay and lump sum payments, which should have been calculated using the applicable service period; for example, if there was a break in service of three months then there would be no payment for that three-month period, but the remainder of qualifying service would be used for the calculation.
- Given that Te Whatu Ora is now planning to make PE payments for nurses who terminated their employment between 7 March 2022 and 14 December 2022, then the same criteria for payments will be applied.

### STAFF ON LEAVE

- Te Whatu Ora nursing staff on a variety of long-term leave (e.g. ACC, parental leave, and leave without pay) who otherwise qualify for PE are scheduled to be paid on their return from that leave. This approach is designed to avoid any negative impacts from back pay and/or lump sum payments on any other income or compensation that these staff are receiving.

- However, such staff can receive the payments while still off on leave, by contacting their district payroll team and confirming in writing that they are aware of any potential negative impacts to them of receiving the payments now and also confirming that there have been no changes to their payroll details (e.g. bank account numbers).

#### **NOT PAID FULL PRO RATA LUMP SUM**

- Some members who previously received one of the two PE advance lump sums, typically \$1,000 – presumably in error, report only being paid \$3,000 pro rata instead of \$9,000 pro rata.
- This is likely an error which may have arisen because the payroll department concerned wrongly assumed that, if PE lump sum payment had been made, both previous advance lump sums had been paid in 2021 (i.e. \$7,000 pro rata), leaving only the \$3,000 pro rata. Anyone in that situation should go back to their payroll service for this error to be rectified.

#### **TE WHATU ORA PAY EQUITY**

- PE only applies to current and some former Te Whatu Ora nursing staff. This notice has been sent to all members, to ensure that members who are former Te Whatu Ora employees receive apposite information.
- A reminder that the interim PE determination issued last December by the ERA means the following entitlements. Payment of a \$10,000 PE lump sum for nurses who did not receive the earlier advance lump sums (and \$3,000 for those who did), plus a PE pay increase with backdating to 7 March 2022. The lump sum qualifying period is the 26 months to 7 March 2022, and the back pay period is from March 2022.
- Te Whatu Ora has helpful information on their website about PE and this will be updated again on 21 March 2023. Answers to many PE questions can be found on that site.

#### **PAY PARITY NOTICE IN THE PIPELINE**

- PE and pay parity are separate matters. We will have a notice to members on recent pay parity developments shortly.

**NURSES SOCIETY OF NEW ZEALAND *Te Kāhui Tapuhi o Aotearoa & Te Uniana o NSNZ***



20 March 2023