

## New rules for producing employment agreements and pay equity reform

### A recent change to the Employment Relations Act clarifies the expectations on employers to retain and provide employment agreements. Meanwhile, a Bill has passed through Parliament under urgency to reform the pay equity process

#### Employment agreement changes

Under the Employment Relations Act 2000 (**the Act**), employers are required to retain a copy of an employee's individual employment agreement, or individual terms and conditions of employment.

The Act further requires employers to provide employees, on request, with a copy of the agreement or t's & c's, as soon as reasonably practicable. An employer who fails to comply with this requirement could be liable to a penalty imposed by the Employment Relations Authority.

On 30 March 2025, the Act was amended to explain specifically what that obligation to 'retain a copy of the employment agreement or t's and c's' requires. It requires employers to ensure that:

- a) The employee does not hold the only copy of the agreement, individual terms and conditions of employment, or intended agreement; and
- b) The employer's copy of the agreement, individual terms and conditions of employment, or intended agreement is readily accessible.

The amendment further clarifies that before a Labour Inspector can bring an action in the Authority for a penalty, it must give the employer 7 working days to remedy the breach, by either producing a copy of the agreement that was retained, or providing a copy of the agreement in accordance with a request.

#### Pay equity claims

The Equal Pay Amendment Bill was introduced into Parliament on 6 May, to "make the process of raising and resolving pay equity claims more robust, workable and sustainable". The Bill passed through Parliament under urgency, and received royal assent on 13 May.

Hon Brooke Van Velden expressed a view that the previous pay equity legislation was not working as intended, stating that claims had been able to progress without strong evidence of undervaluation. Van Velden further gave examples of where librarians had been comparing themselves to transport engineers, and admin and clerical staff comparing themselves to mechanical engineers, and social workers comparing themselves to air traffic controllers.

The changes include:

- Raising the threshold of "predominantly performed by female employees" from 60 percent to 70 percent and requiring that this has been the case for at least 10 consecutive years.
- A pay equity claim may be raised if it meets all the requirements set out, and there is evidence the claim has merit. The threshold has changed from "is arguable" to "has merit".
- Employers may opt out of multi-employer pay equity claims without providing reasons based on reasonable grounds for doing so.
- Introducing a hierarchy of comparators and adding more prescription to comparison methodology.
- Providing for phasing of pay equity settlements.
- Removing the provision for the Authority to award back pay.

The changes discontinued 33 claims that were underway. They will need to start again under the amendment Act.

#### Want to know more?

If you have any questions about the changes, please contact our specialist [Employment Team](#).