
Equal Pay Amendment Bill passes

The passing of the Equal Pay Amendment Bill on 22 July 2020 is an important step in closing the gender pay gap in New Zealand. The Bill provides a framework for the resolution of pay-equity disputes.

Background

The Equal Pay Amendment Bill was introduced in September 2018 to improve the process of raising pay equity claims, and to prevent discrimination on the basis of gender. The Bill is intended to set a low-threshold to raise a pay-equity claim, and provide a simple, accessible process to progress claims made.

The Minister for Women, Hon. Julie Genter, confirmed that the pay equity framework under the Bill "encourages collaboration and evidence-based decision-making to address pay inequity".

Key obligation

Pursuant to the Bill, all employers must ensure that there is no differentiation on the basis of gender, between the rates of remuneration offered and afforded by the employer to employees who perform the same or substantially similar work.

Dispute resolution

An employee may submit a written pay equity claim to their employer at any time, where that employee considers the claim to be arguable.

A pay equity claim will be arguable only if:

1. the claim relates to work that is or was predominantly performed by female employees; and
2. it is arguable that the work is currently undervalued, or has been historically undervalued.

Within 45 working days of receiving the claim the employer must respond to the claim confirming whether the employer agrees there is an arguable pay equity issue, or whether the employer considers the claim is inarguable (with supporting information provided).

The employee is entitled to request further information about the employer's decision and refer the claim to mediation services for resolution. The parties may also refer the claim for facilitation or determination in the Employment Relations Authority, however that should be done as a last resort, given the focus on negotiation, collaboration and good faith within the Bill.

When will the Act come into force?

The Equal Pay Amendment Act will come into force the day after it receives Royal Assent. Royal Assent is expected in late October.

Want to know more?

If you have any questions about pay equity or employment issues, please contact our specialist [employment](#) team.