

Guide to keeping accurate Employee Records



By PayrollHQ

The Employment Relations and Holidays Acts require employers to maintain wage, time, holiday and leave records for their employees. Employee records must be made available to employees, their unions and Labour Inspectors if they ask for them. They can be kept in electronic or paper files and must be kept for six years.

There are legal requirements for paying wages and keeping wage, time, holiday and leave records. Legally wages must be paid in cash. To pay wages another way (e.g. direct credit, cheque) employers must get their employees written agreement.

Wages and time records must include:

- the employee's name
- the employee's age, if under 20 years
- the employee's postal address
- the type of work the employee undertakes
- the type of employment agreement – individual or collective
- the title, expiry date and employee classification in any applicable collective agreement
- the hours worked each day, including start time, finish time and any non-paid breaks taken, and days of employment in each pay period
- the wages paid each pay day and the method of calculation
- details of employment relations leave taken.

Holiday and leave records must include:

- the name of the employee
- the date employment commenced
- the days on which an employee works, if the information is relevant to entitlement or payment under the Holidays Act 2003
- the date the employee last became entitled to annual holidays
- the employee's current entitlement to annual holidays
- the employee's current entitlement to sick leave
- the dates any annual holiday, sick or bereavement leave was taken
- the amount of payment for any annual holidays, sick leave and bereavement leave taken
- the portion of any annual holidays that have been paid out in each entitlement year
- the date and amount of payment, in each entitlement year, for any annual holidays paid out
- the dates of and payment for any public holiday worked
- the number of hours worked on any public holiday
- the day or part of any public holiday agreed to be transferred, and the calendar day or period of 24 hours to which it has been transferred

- the date on which the employee became entitled to any alternative holiday for any public holiday worked
- the dates and payment of any public holiday or alternative holiday on which the employee did not work, but for which the employee had an entitlement to payment
- the cash value of board and lodgings provided
- the date of termination
- the amount of pay for holidays on termination

Holiday and leave records or the employee's file should also include:

- any agreements to transfer holidays
- any requests to cash up annual holidays
- the anniversaries when the employee becomes entitled to conditions under either minimum legal entitlements or additional provisions in the employment agreement.

An employee's file should also include:

- a signed copy of the employment agreement with the employee or details of the collective agreement under which he or she has been employed
- a letter offering appointment
- evidence that the employee is entitled to work in New Zealand
- details of citizenship or work permits held
- a tax code declaration (IR330) completed by the employee
- a job description
- a personal profile
- an application form
- the employee's personal information such as home contact details
- details of who to contact in case of an emergency
- details of the bank account to be credited with wages (if this is the agreed method of payment).

Employers should also keep copies of any requests regarding alternative holidays or requests to cash-up annual holidays even if they were not agreed to.

For more information on this critical area of business we suggest you visit <http://employment.govt.nz/>