



New Zealand law outlines gender pay equity claim procedures

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Beginning in late October 2020, workers in New Zealand will be allowed to submit pay equity claims under measures included in the [Equal Pay Amendment Bill](#) passed by Parliament in July. The law aims to reduce “systemic sex-based pay undervaluation in pay in female-dominated occupations.” Procedures for making claims will be based on the current bargaining framework set out in the Employment Relations Act 2000 — court actions are intended to be a last resort. The government will publish online tools and other resources about the claims process.

Background

Pay equity measures proposals were published in 2017 following recommendations published in 2016 by the joint working group on pay equity. Revised proposals were submitted to parliament in September 2018 following a change of government.

Highlights

Definition of pay equity and equal pay. “Pay equity” is defined as women and men earning the same pay for doing jobs that are different but of equal value requiring similar skills, responsibility and effort. “Equal pay” is defined as men and women earning the same pay for doing the same job. The Equal Pay Act 1972 has been interpreted to include pay equity.

Pay equity claims procedure

- Workers or trade unions will be allowed to raise a pay equity claim for female-dominated jobs, or roles that were previously female-dominated and are currently or historically undervalued.

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- Trade unions can raise a pay equity claim with one or multiple employers on behalf of members who are doing the same or substantially similar work. Employers who don't agree with their inclusion in a multiple employer pay equity claim will have to provide written reasons, and could use the dispute resolution process if necessary. More than one union could submit a pay equity claim for the same employer, but they must consolidate the claims.
- Employers will have to respond within 45 days of a pay equity claim's submission. If the employer agrees there is an "arguable claim," the parties can start to bargain, although this doesn't imply there is pay inequity, or guarantee a pay equity settlement.
- Employers must notify all other employees who perform the same or substantially similar work as the claimant within 20 working days of a pay equity claim submission.
- The bargaining framework will be used to determine the applicable remuneration of the claimants. Employers, workers and unions must negotiate pay equity claims in good faith, and parties can access mediation and resolution services if they are unable to agree.
- If the employer disagrees there is a pay equity claim, the employee or unions could challenge the decision using the dispute resolution procedure which provides for mediation, facilitation, and determination by the Employment Relations Authority or court. All parties can opt to return to the bargaining table at any stage prior to the Employment Relations Authority fixing remuneration. If the parties agree to bargain, they can refer the claim to the dispute resolution procedure if they reach an impasse.
- Individual workers could decide to opt-out of pay equity claims raised by trade unions, and could raise their own claims. Workers who opt-out would be offered the final union settlement, but they wouldn't be allowed to vote to endorse the settlement or provide input to the process. A pay equity settlement will be applicable to all employees represented by the union.
- A pay equity outcome will include either an agreement or determination that pay inequity doesn't exist, or a settlement with new wages that might also include new terms and conditions of employment. The outcome also will include an agreed upon (or determined) pay equity review process and could allow for pay equity bargaining regarding back pay.

Related resources

- [Press release and background information](#) (Ministry of Business, Innovation and Employment (27 Jul, 2020))
- [Employment Relations Act 2000](#) (New Zealand Legislation, 27 Jun 2020)

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- [Equal Pay Act 1972](#) (New Zealand legislation, 1 Jul 2013)
- [Information on gender pay gap](#) (New Zealand government)

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