

CTU holiday back pay background information

- Wide-spread payroll errors have led to a situation where, according to Government figures, New Zealand workers are collectively owed up to \$2.3bn in unpaid leave payments going back six years.
- The Government was aware of the scale of this situation two years ago but hasn't done enough to fix it.
- CTU Affiliates have been aware of the issue in a few sites and have negotiated audits and settlements in some, but until seeing the Government figures had no way of knowing the scale of the issue.
- This is too big to fix on a case by case basis. It needs Government to work with unions and business to find a high-level solution.
- In the meantime the statute of limitations means New Zealand workers are collectively losing up to a million dollars a day in back pay as their right to it expires.
- That's why today we are proposing that this limit is urgently suspended so that New Zealanders don't continue to lose money while the problem is fixed.
- In order to do this we have produced a Bill for the Government that stops the clock on the statute of limitations and are asking that they pass it under urgency.
- We are confident that the Government will get support for the Bill across the house to do so.
- The Government have the opportunity to stop New Zealanders losing a million dollars a day and to create space to fix the payroll problem so that money goes to the Kiwi workers who are owed it.
- The Government can take this important first step next week when the house sits. It's up to them.

Pertinent Facts:

- Several employers that affiliates have discussed this with have agreed to payroll audits, and at least one has negotiated a back-pay settlement with union members - in that case \$17,000 in back-pay was paid to 70 workers.
- We have identified this problem across the workforce - from health, to fast food, to ministries - including MBIE - and other employers.
- This is not a reason to change the Holidays Act - not all payroll providers have been calculating leave incorrectly.
- Exemptions to the Limitations Act are not unusual - there are already ten in place covering matters including rent arrears, and interests in trusts.
- The Government kept the scale of this problem secret for two years - this delay alone will have cost New Zealanders up to half a billion dollars.