



**New Zealand  
Payroll Practitioners  
Association**

Developing and Supporting  
Payroll Professionals

[www.nzppa.co.nz](http://www.nzppa.co.nz)

# Where to next for payroll in 2023?





## Hidden clause in the new Holidays Act!

On checking the MBIE Better Rules documentation for the new Holidays Act I was shocked to come across the following clause buried deep in the draft bill:

### Employee entitlement increase

A. Every 12 months of continuous employment worked an employee will receive an additional day of annual holiday entitlement up to a total of 5 days (over 5 years). This will be in addition to the 4 weeks already provided under the Holidays Act.

Now that is not all it has the following clause has included:

### Section 254(6)(Z)(6)(a)(ii):

“To change any part of the new Holidays Act (once passed) 60% of the New Zealand house of representatives will need to vote to change the new act”.

**The present government is planning to entrench the Holidays Act!**



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# JUST KIDDING!



# WHERE TO NEXT FOR PAYROLL IN 2023?

Payroll is facing the largest amount of change in the legislation (that impacts on the work we do) than we have seen in decades and in 2023 we will start to see some of those changes be implemented or know more on when future change will happen.

- A number of these changes have been discussed today.

## The big unknown?

- Many of these changes will depend on if the present government stays in power.
- So, we could end up doing a lot of work preparing for changes and then it goes nowhere.



# What to keep on your payroll radar for 2023!

## Fair Pay Agreements (in place from 1 Dec 2022)

- MBIE has set up a dashboard to act as an overview of the application process:
  - <https://www.mbie.govt.nz/business-and-employment/employment-and-skills/fair-pay-agreements/fpa-dashboard/>

## How this could work in payroll?

- For payroll it could mean your payroll providers create a module for each new Fair Pay Agreement created and passed into law and employers could purchase the module that is already configured.
- This would make it workable for payroll as payroll could be having to undertake multiple fair pay agreements.



## Employee Insurance Scheme

- It's like the ACC earner levy but has the added step of an employer contribution as well. Along with a redundancy payment.
- Legislation may be passed in 2023 but this would most probably be implemented in 2024 as the system has to be built.



# New Holidays Act

- No bill yet (early next year?).
- Government has stated full select committee process will be undertaken.
- Government has stated there will be a transition period for payroll providers and employers to implement the new act.

From what I have seen of the better rules approach this is major change that may have the following issues for payroll:

- Some payroll systems will not be able to meet the new requirements and it could mean you will need to assess if you need to move to a new provider.
- Employment agreements will need to change to fit the new act.
- The complexity of the new act will cause issues with trying to get employees to understand how their leave is now calculated.

**AND you still have all the issues to deal with the present act as that will not go away**



## Other areas we are still waiting on 2023

- KiwiSaver – where is this going?
- Changes to Parental Leave
- Minimum Wage increase?





# NZPPA 2023 EVENTS PLANNED

- **1st April Update** (webinar may be in-person but doubt there is enough changes to do this), March 2023
- **3rd Annual BootCamp 2023** (online event), May 2023
- **9th Annual Payroll Leaders' Summit** (in person), July 2023 (Wellington)
- **2nd Annual Payroll Tech Showcase** (online) September 2023
- **16th Annual Payroll Conference** (Oct or Nov 2023) 2 days in person)

**\*All in person events will also be live streamed**

## **Other events depending on what happens:**

- **Special topic conference:** Employee Insurance Scheme
- **Special topic webinar:** for any Fair Pay Agreements passed we will do a webinar on how payroll will apply these additional terms to payroll.



# Back on track in 2023 - Hopefully

We will move some activities from NZPPA to be under the **New Zealand Institute of Payroll Incorporated (NZIPI)**

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