

# Payroll Next Steps, Holidays Act & More...



## Holidays Act update where is it at NOW?

Nothing has changed!

The present Holidays Act 2003 is still fully in force.

If you know you have issues with the present act you have time to sort it NOW.

Any new act will not resolve the issues from the past.

Do not get into a position where you are dealing with issues from the past while trying to implement a new act going forward (2027) – that could create a perfect storm for PAYROLL



# NZPPA's View on the Govt's/MBIE Targeted Consultation

#### The selection of the 100 for the target consultation was flawed:

- A couple of selected people contacted NZPPA, and after finding out their backgrounds and views, they should never have been selected.
- At the same time, other people with years of payroll experience and a wealth of knowledge were left out.
- The way the submission document has been developed is not a valid methodology for making decisions on calculations, tests and checks that will impact payroll processing and a payroll system because respondents can select an option without providing evidence to back up their view/position.
- How MBIE analyses the feedback from the submission will become very subjective; for instance, a non-payroll person could comment on an area that could have a major impact on payroll.
- The government (with MBIE direction) can select what suits their plans going forward and use the feedback they have selected to justify it.
- We need to see if there is another step to be introduced before the bill is introduced and the select committee process starts.



## **Next Steps...**

From the Targeted Consultation it has been stated that the result will be reported back to cabinet this month (December):

 Go back to the drawing board [NZPPA would hope this happens with real payroll input]

or

Proceed with the draft bill to the house and select committee [The nightmare will get worse!]



## What is missing from the targeted consultation and draft bill

#### 1. Nothing to make payroll providers accountable for their software

It has been stated in the documentation for the targeted consultation that consequences for payroll providers (third parties) have not been included in the bill, and feedback is not being sought as part of this consultation step.

#### Presently:

- Nothing protects an employer if the payroll software is noncompliant with the Holidays Act (not directly from the act).
- No government department has the authority to assess software to evaluate legislative requirements.
- There are no consequences for a payroll provider if they get it wrong (Examples: Improvement notice, Enforceable undertaking, Banning order, Fines, etc.) like what an employer can be taken to task on presently

NZPPA has raised this with previous Ministers (x2) and the present one, as we need a level playing field.

If this is done, a good payroll provider meeting legislative requirements has nothing to fear; it's the non-compliant payroll provider that this is aimed at!



#### 2. We need to Support Payroll Providers

IRD provides a Payroll Calculations document to payroll providers (developers) regarding the requirements of IRD payroll collections.

- Payroll calculations and business rules specifications
  - https://www.ird.govt.nz/digital-service-providers/servicescatalogue/returns-and-information/payday-filing/payrollcalculations-and-business-rules

This document is kept up to date, and any changes are added to it as needed.

MBIE has refused to do this with the current act, and they provide no additional support to payroll providers in ensuring compliance with the Holiday Act.



## What will NZPPA Do?

- 1. Write an open letter to the Minister of Workplace Relations & Safety on making payroll providers accountable for compliant software & ensuring they get the support to do this from the government (any new Holidays Act).
- 2. Raise this with other associations, especially the small business sector, asking for their support.
- 3 Talk to the media to raise awareness.
- 4. For any select committee process, create a submission template as part of the process so payroll practitioners and employers can support point 1.



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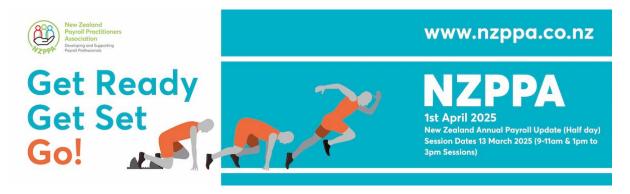
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