Minimum wage rules

From April 1st this year, new minimum wage rates were implemented.

The minimum wage applies to all paid employees aged 16 and older, although there are different rates if your employee is 16 or 17 and is new to the workforce or if they are completing training.

Employers will need to keep up-to-date with the latest minimum pay rates and pay employees at least the current minimum rate. This rate stands even if your employee only works a few hours for you each week or has little responsibility at work.

There are three rates:

- Adult minimum wage
- Starting-out wage
- Training minimum wage

Starting-out and training minimum wages are 80% of the adult minimum wage.

CURRENT MINIMUM WAGE RATES

The rates are reviewed every year. This table sets out the before-tax minimum wage pay rates that apply from 1 April 2018.

Minimum wage	Hourly rate	8-hour	40-hour week
Adult rate	$16.50	$132.00	$660.00
Starting out and training rates	$13.20	$105.60	$528.00

ADULT MINIMUM WAGE

The adult minimum wage applies to all employees aged 16 and over who aren't starting-out workers or trainees, and all employees who are involved in supervising or training other employees.

This is the minimum wage most widely used by Kiwi businesses of all shapes and sizes.

STARTING-OUT WAGE

The starting-out wage applies solely to workers aged between 16 and 19 and who are entering the workforce for the first time.

STARTING-OUT WORKERS ARE:

- Aged 16-17 and have worked for you for less than six months.
- Aged 18-19 and have been paid a specified social security benefit for six months or more, and who haven't yet completed six months continuous employment with any employer since they started being paid a benefit. After six months continuous employment with a single employer, they must be paid at least the adult minimum wage rate.
- Aged 16-19 and required by their employment agreement to undertake industry training for at least 40 credits a year to become qualified.

TRAINING MINIMUM WAGE

The training minimum wage applies to employees aged 20 years or over who are completing recognised industry training involving at least 60 credits in order to become qualified.

EMPLOYING SCHOOL-AGE WORKERS

There is no minimum wage for employees who are under 16 years of age. If you employ under-16s, you must not let their work get in the way of attending school.

EXEMPTIONS

A small amount of people hold an exemption from the minimum wage, eg prison inmates and some apprentices. The links at the bottom of the page give full details[1]

If you're unsure how much you should be paying your employees, or think you might be paying too little, contact Employment New Zealand for advice.

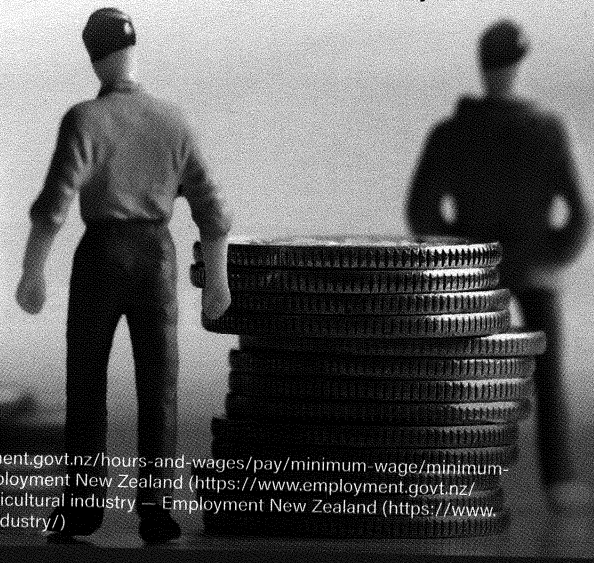
PAYING FAIRLY

In addition to paying the legal minimum wage or higher, you'll need to ensure your pay policies and practices are as fair as possible.

It's important to remember that waged employees need to be paid for actual hours worked. This means paying employees at least the minimum hourly wage for any extra time worked.

Paying employees fairly also means:

- Women and men must receive the same pay rates for doing the same or substantially similar work
- You cannot discriminate on the basis of an employee's colour, race, ethnic or national origins, gender (including pregnancy or childbirth status), marital or family status, age, disability, religious or ethical belief, political opinion, sexual orientation or union activity.



[1] Minimum wage rates — Employment New Zealand (https://www.employment.govt.nz/hours-and-wages/pay/minimum-wage/minimum-wage-rates). Minimum wage exemptions for people with disabilities — Employment New Zealand (https://www.employment.govt.nz/hours-and-wages/pay/minimum-wage/minimum-wage-exemptions/). Agricultural industry — Employment New Zealand (https://www.employment.govt.nz/hours-and-wages/pay/minimum-wage/agricultural-industry/)