**Holidays Act 2003 Compliance – Q&As**

* **Why didn’t Citycare have holiday payments right previously?**

The Holidays Act 2003 is a complex piece of legislation subject to a number of interpretations. Citycare has proactively reviewed its compliance with the Holidays Act 2003 and had an independent expert conduct the review. This review found some issues with Citycare’s compliance along with the majority of employers in New Zealand. We have been working hard since then to check the calculation of holiday and leave payments for all current and former employees.

We have been very proactive to ensure Citycare fully complies with the requirements of the Holidays Act and that all employees are paid correctly.

* **How do I know your calculations for my payment are correct?**

We have had independent financial experts experienced in holiday pay processes and reviews complete the calculations. Their calculations have been reviewed by and meet the requirements of the Labour Inspectorate at the Ministry of Business, Innovation and Employment (MBIE). This has been a very thorough process.

* **Why am I getting two amounts in my payment?**

One amount applies to previous 52 weeks and the other to the period of time before that (if applicable). It will be paid as one payment.

* **How have you calculated my back pay?**

The calculation of any back pay is complex and it depends on a number of factors including:

* + The amount of leave you have taken
  + The timing of that leave
  + The time you have been employed at Citycare
  + The relevance of and extra allowances
  + The extent of any relevant daily pay adjustments for sick leave, bereavement leave, public holidays or alternate day payments
  + Cashing up of any leave entitlement
  + Leave taken in advance.

Because of these factors, everyone’s back payment will vary.

* **Are all employees receiving a back payment?**

A large number of current and former employees are receiving a payment, but not everyone. It depends on the individual factors listed above.

* **Could this payment take me into a different tax bracket?**

You may need to check the IRD website at <https://www.ird.govt.nz/> to see if your total earnings, including your holiday back payments for this financial year, take you into a different tax bracket.

* **When did the Citycare holiday pay system change?**

It was changed on 12 February 2018.

* **Does my Union know about the back payments Citycare is making?**

Yes. Citycare has kept Unions informed about the plans for the back payments from the time the process started through to now. This has included discussing the calculation process used. The calculations are complex and detailed which is why we had an independent expert perform the calculations on our behalf.

* **Will Kiwisaver employer and employee contributions apply?**

Yes – for those employees who are contributing to Kiwisaver at the date the payment is made.

* **Will superannuation contributions (other than Kiwisaver) apply?**

In the case of current employees deductions for contributions to superannuation schemes will be made in accordance with the records we currently hold for you. In the case of former employees no deductions for contributions to superannuation schemes will be made.

* **Do the back pay calculations account for Child Support deductions?**

No. But it may impact on future calculations by IRD for Child Support.

* **Do the back pay calculations include Student Loan deductions?**

Yes – for those employees who have a student loan tax code.

* **Will the back pay calculations affect my “Working for Families” entitlements?**

Your back pay may affect your Working for Families entitlement for the year ended 31 March 2019. If you receive weekly or fortnightly Working for Families tax credits you may need to re-estimate your annual family income. Please contact Inland Revenue on 0800 227 773 to discuss your specific situation.

* **Will the back pay affect my New Zealand superannuation payments or Disability Allowance?**

Your back pay may affect your New Zealand superannuation entitlement for the year ended 31 March 2019 if your spouse or partner is included in your payments (i.e. your super is income tested) or if you receive supplementary assistance (e.g. disability allowance). You may wish to contact Work and Income on 0800 552 002 to discuss your specific situation.

* **If I want to discuss the payment I have received who do I contact?**

Please email any questions to [holidaysactquery@Citycare.co.nz](mailto:holidaysactquery@Citycare.co.nz) . We will try to answer your questions as quickly as we can.