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15-06-2023 Pay Equity Interim settlement FAQs

New pay rates

- **Q - How do I move onto the new pay scale?**
A – Most people will remain on the step/ grade you are on now (or any date you progressed up the scales after 4 April 2022). However, anyone who was/is on grade 2 of the senior midwives scale who will move to grade 3, step 1 from 4 April 2022. Core midwives and those on the Community Midwives pay scale employed on step 1 of either of those scales will move to step 2 from 4 April 2022 as applicable. Note that your anniversary date does not change as a result of any change to your placement on the pay scale.
- **Q – Are the interim rates backdated?**
A – Yes, the new scales will apply from 4 April 2022 and are based on all hours worked.
- **Q - Will my back pay be taxed?**
A – Yes, the payments are earnings so therefore must be taxed, student loan and Kiwisaver deductions will also be applied for those who may normally have them come out of their pay.
- **Q- I am employed on a casual contract. How will my interim payment be calculated?**
A- The new interim rates will be paid on all hours worked from 4 April 2022 for everyone. If you do not have contracted or guaranteed hours your lump sum will be based on your actual hours worked (excluding overtime and call backs) between 1 January 2020 and 4 April 2022.
- **Q- Senior Midwives Grade 3 step 1 is only \$56 above step 7 of the registered midwife pay scale. This seems unfair.**
A- The unions recognise that there is a problem with the senior midwives pay steps and do not agree that the interim rates result in an appropriate pay equity outcome. This is one of the issues that will need to be addressed in the final pay equity outcome. We will also raise the need to ensure that midwives moving from the registered midwife pay scale to the senior midwives scale are paid enough for those roles to remain attractive and able to be recruited into.

- **Q - Are these my final pay equity rates?**

A – No, these rates are only interim rates while a full Pay Equity settlement is agreed.

Lump sum payment

- **Q - What period does the lump sum apply to?**

A – The 27 months prior to 4 April 2022 (4 January 2020 – 3 April 2022).

- **Q – How will my lump sum be calculated?**

- A – 1) Service from 4 January 2020 to 3 April 2022 pro-rated. Eg if you worked half that period you would get half the payment.
2) Pro-rated based on the greater of your FTE or actual hours worked (excluding overtime and call backs) between 1 January 2020 and 4 April 2022. Eg a full time worker will get the full payment, a half time worker will get half the payment.

Contracted hours or all rostered hours (whichever is the greater) you have worked up to 80 hours per fortnight will be taken into account for the calculation of the lump sum. Unions have been advised that hours above 80 hours per fortnight and 'call back' hours will not be included in lump sum calculations.

NOTE: The \$10,000 payment is less any payment already received in relation to the pay equity claim in 2021 and 2022 and is taxed as earnings. This includes the \$6,000 (gross) payment made to some members of MERAS in accordance with the Memorandum of Understanding attached to the Terms of Settlement for the MERAS collective agreement agreed in September 2021, plus the additional \$1,000 (gross) payment paid in January 2022.

Employment

- **Q – If I left my employment with Te Whatu Ora during the period covered by the interim settlement am I entitled to the payments?**

A – It is MERAS view that if you were working for Te Whatu Ora (previously 20 district health boards) during the period covered by the MoU and members vote to vary the collective agreement then you are entitled to the payments. If you are told you are not by Te Whatu Ora please contact us.

- **Q- What if I am or have been employed by multiple districts?**

A - All services covered by the Midwifery pay equity claim in the 27-month period immediately prior to 4 April 2022 will be considered in the payment of the lump sum up to the equivalent of 1 FTE. For lump sum payments, the currently employing District will be responsible for payment of the lump sum. Employees who have moved/transferred within Te Whatu Ora after 4 April 2022 will receive the relevant back pay on pay rates from their current and any previous District(s).

- **Q- I am currently on parental leave. When will I receive the lump sum and back pay?**

A- You should receive your payments at the same time as other midwives.

- **Q- I am currently on ACC. Will I receive the lump sum and back pay. Will the new pay rates impact on my ACC payments.**

A- You will either receive the lump sum either based on your contracted hours or actual hours worked excluding overtime and call backs (whichever is the greater) during the specified dated. The back pay will be based on all hours worked between 4 April 2022 and when your rate is adjusted to the new rates. These payments could impact on your ACC payments for the pay period they are received.

Voting and next steps

- **Q - What happens if workers vote 'NO' on the interim settlement?**

A – Your wages would remain as they are until a new Collective agreement is agreed or a full pay equity settlement is reached. There is no natural form of escalation in the pay equity process (It is not lawful to strike for pay equity). We would have to go back and try to negotiate a better interim offer with no real pressure on the crown and Te Whatu Ora to offer more. This could drag on with no agreement until a full settlement is reached. Political pressure would be the only real option to change that.

- **What does the vote to vary the Te Whatu Ora collective employment agreements (SECA) mean for our current collective bargaining?**

A – the variation changes the wage scales from 4 April 2022 and will influence the on-going bargaining for a new SECA and a cost of living increase continues.

- **Q - What are the next steps in the pay equity process?**

A – The unions continue to be open to negotiating an outcome for the full Pay Equity settlement. There are a number of issues holding up the process including issues before the courts, however the unions believe that Te Whatu Ora should continue with the pay equity process while these issues are resolved.

- **Q – When will we see our money?**

A – Te Whatu Ora have indicated that it is likely to take around 3 months to make these payments as a result of the extensive payroll work needed to calculate them.