

Minimum Wage and Remuneration Amendment Bill

Member's Bill

Explanatory note

People engaged as contractors have few of the protections of employees. They can be paid at a rate which is less than the minimum wage. The purpose of this Bill is to amend the Minimum Wage Act 1983 to extend its provisions to apply to payments under a contract for services that are remunerated at below the minimum wage. Currently certain types of work, such as pamphlet deliveries, are not subject to any minimum wage requirements because remuneration is paid under a contract for services. The Bill provides for such contractors to be paid not less than a minimum rate, equivalent to the minimum wage. As is the case for the minimum wage, the rate can be either hourly or on a piece rate basis.

Darien Fenton

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is Minimum Wage and Remuneration Amendment Act **2006**.

Part 1

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Preliminary provisions

2 Commencement

This Act comes into force on the day after the date on which it receives the Royal assent.

3 Principal Act amended

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This Act amends the Minimum Wage Act 1983.

4 Purpose

The purpose of this Act is to amend the principal Act to extend its provisions to apply to payments under a contract for services which are currently remunerated at below the minimum wage.

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Part 2

Amendments to principal Act

5 Name of principal Act changed

(1) After the commencement of this section, the principal Act is called the Minimum Wage and Remuneration Act 1983.

(2) Section 1 is amended by inserting “and Remuneration” after “Wage”.

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6 Interpretation

Section 2 is amended by inserting the following definition in its appropriate alphabetical order:

“**remuneration** includes any payment made under a contract for services”.

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7 New section 4A inserted

The following section is inserted after section 4:

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“4A Prescription of minimum remuneration

“(1) The Governor-General may, by Order in Council, make regulations prescribing the minimum rates of remuneration payable to any person working under a contract for services.

“(2) Regulations made under this section may define minimum rates of remuneration by reference to the age of the person performing the services or by piecework. 5

“(3) Any minimum rate of remuneration prescribed under this section may be prescribed as a monetary amount or as a percentage of any other minimum rate of remuneration prescribed under **subsection (1)**.” 10

8 New section 6A inserted

The following section is inserted after section 6:

“6A Payment of minimum remuneration

Despite anything to the contrary in any enactment, agreement, or contract for services, every person in respect of whom a minimum rate of remuneration has been prescribed under this Act, is entitled to receive payment for services at not less than that minimum rate.” 15

9 Penalties and jurisdiction 20

(1) Section 10 is amended by inserting “or remuneration” after “full payment of any wages”.

(2) Section 10 is amended by adding the following subsection as subsection (2):

“(2) The provisions of the Employment Relations Act 2000 apply, with the necessary modifications, to the recovery of minimum remuneration as if the minimum remuneration were minimum wages.” 25

Consequential amendments to other enactments

10 Amendments to principal Act 30

(1) The provisions of the principal Act listed in the **Schedule** are amended in the manner indicated in that schedule.

(2) All references to the Minimum Wage Act 1983 in any Act, regulations, order, or other enactment or in any agreement, deed, instrument, application, notice, or other documents 35

whatsoever must, unless the context otherwise requires, be read as references to the **Minimum Wage and Remuneration Act 1983**, as the case may be.

Schedule **s 10(1)**
**Consequential amendments to principal
Act**

Title

Repeal. 5

Section 5

Insert in the section heading “ **wages**” after “**and remuneration**”.
Omit from subsection (1) “section 4” and substitute “sections 4 **and
4A**”.