



Sleepover Wages (Settlement) (Manaaki Trust) Order 2013

Rt Hon Dame Sian Elias, Administrator of the Government

Order in Council

At Wellington this 2nd day of April 2013

Present:

The Right Hon John Key presiding in Council

Pursuant to section 24 of the Sleepover Wages (Settlement) Act 2011, Her Excellency the Administrator of the Government, acting on the advice and with the consent of the Executive Council, and on the recommendation of the Minister of Health (made after consultation with the Minister of Labour), makes the following order.

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Order

- 1 Title**
This order is the Sleepover Wages (Settlement) (Manaaki Trust) Order 2013.
- 2 Commencement**
This order comes into force on 5 April 2013.

Part 1**Preliminary provisions**

- 3 Effect**
The modifications and extensions of the Sleepover Wages (Settlement) Act 2011 made by this order do not affect the text of the Act but require it to be read as if it had been amended in the manner indicated in this order.
- 4 Interpretation**
In this order,—
Act means the Sleepover Wages (Settlement) Act 2011
specified employer means Manaaki Trust.

Part 2
Modifications and extensions of Part 2 of
Act

Settlement relating to specified employer

5 Extension of subpart 2 of Part 2 of Act to specified employer

Subpart 2 of Part 2 of the Act, as modified and extended by this Part, applies to—

- (a) the specified employer (as employer); and
- (b) each employee of the specified employer who performs or performed a sleepover.

6 Modification of section 21 (entitlements for sleepovers performed immediately before 18 October 2011)

- (1) This clause applies instead of section 21 of the Act in relation to the entitlements of employees of the specified employer for sleepovers performed immediately before 18 October 2011.
- (2) In relation to a sleepover performed by an employee during the period beginning on 1 July 2011 and ending with the close of 17 October 2011, the specified employer must pay the employee an amount calculated in accordance with the formula set out in section 19(1) of the Act.
- (3) The specified employer must pay any amount payable to an employee under subclause (2) no later than 2 months after the date of commencement of this order.

7 Modification of section 22(1) (entitlement to be paid minimum hourly rates for sleepovers performed on and after 18 October 2011)

- (1) This clause applies instead of section 22(1) of the Act in relation to the entitlements of employees of the specified employer for sleepovers performed on and after 18 October 2011.
- (2) In relation to a sleepover performed by an employee in the period beginning on 18 October 2011 and ending with the close of 5 December 2011, the specified employer must pay the employee the greater of—

- (a) an amount calculated by multiplying the number of hours in the sleepover by 50% of the applicable minimum hourly rate; and
- (b) the amount the employee would have received for that sleepover immediately before the date of commencement of this order.

Michael Webster,
for Clerk of the Executive Council.

Explanatory note

This note is not part of the order, but is intended to indicate its general effect.

This order, which comes into force on 5 April 2013, modifies and extends the operation of the Sleepover Wages (Settlement) Act 2011 (the **Act**) to give effect to a settlement agreement reached between Manaaki Trust (the **specified employer**) and certain of its employees. The settlement relates to the payment of wages to employees who are permitted to sleep overnight at their workplace while on duty (**sleepover wages**).

The Act implements a settlement of litigation between Idea Services Limited and Timata Hou Limited and their employees (the **Idea settlement**) relating to the payment of sleepover wages. Subpart 1 of Part 2 of the Act extinguishes certain claims for sleepover wages in the health and disability sector, and subpart 2 of Part 2 of the Act implements the terms of the Idea settlement.

Subpart 1 of Part 2 of Act: Extinguishing claims for sleepover wages

Subpart 1 of Part 2 of the Act already applies to the specified employer, because it applies to all employers in the health and disability sector funded through Vote Health. It extinguishes claims relating to sleepovers performed before the Act commenced, if those claims were lodged after 5 pm on 2 September 2011. Claims filed before that time are preserved. Section 9 of the Act extinguishes claims

by employees of Idea Services Limited and Timata Hou Limited for sleepover wages, including those that would otherwise have been preserved. It is not necessary to extend the application of this section to the specified employer and its employees, because no employees lodged claims regarding sleepover wages before the specified time.

*Subpart 2 of Part 2 of Act: Settlement relating
to specified employer*

Clause 5 extends the effect of subpart 2 of Part 2 of the Act (which implements the Idea settlement) to the specified employer and its employees, but with certain modifications that are set out in *clauses 6 and 7*.

Sections 21 and 22 of the Act provide for a staged progression towards the minimum hourly wage payable under the Minimum Wage Act 1983. *Clause 6* modifies section 21 of the Act, which sets out an employee's entitlements for sleepovers performed between 1 July 2011 and 17 October 2011 (being the date immediately before the commencement of the Act), and when those entitlements must be paid. The modification provides that the amount due to employees of the specified employer for sleepovers performed during this time must be paid no later than 2 months after the date of commencement of this order. Section 28(c) of the Act permits this modification only if the relevant Minister is satisfied that the proposed period has been agreed to by a simple majority of the employer's employees. The Minister has indicated that he is so satisfied.

Clause 7 modifies section 22(1) of the Act, which sets out how sleepover wages are to be calculated for sleepovers performed after commencement of the Act by those employees to whom subpart 2 of Part 2 of the Act applies. The section implements a staged progression towards payment of the full minimum hourly wage payable under the Minimum Wage Act 1983. The effect of *clause 7* is to modify the staged progression set out in the Act in 2 respects. First, the period of time during which an employee of the specified employer must be paid at least 50% of the applicable minimum hourly rate is a shorter period: from 18 October 2011 to 5 December 2011. (The specified employer ceased performing sleepovers from this date.) Secondly, the clause provides that, if an employee would have received an amount greater than that specified in the Act before the commence-

ment of this order, he or she will be entitled to be paid that greater amount.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 4 April 2013.
This order is administered by the Ministry of Health.
