



Changing an Employee's Working Arrangements

Reducing hours of work, using annual leave while the workplace is temporarily closed, financial support options, and dealing with each other in good faith.

COVID-19 is a rapidly evolving situation and everyone needs to respond.

Deal with each other in good faith

Employers and employees must discuss in good faith the implications of COVID-19 on their working arrangements.

Where changes to current working arrangements are proposed by an employer, there are specific good faith requirements that must be followed.

Employers and employees may be considering changes that involve workplaces closing temporarily or reductions in hours. These changes require additional good faith or other process arrangements.

Hours of work reduced

Example: Agreeing to a temporary reduction in hours.

Generally, if an employment agreement has the employee's hours of work, then an employer can't change them without the employee's agreement. If the employment agreement says that an employer can change the hours of work, the employer still must act fairly and reasonably before they do.

Annual leave while the workplace is temporarily closed

Example: Agreeing that an employee will use annual leave to be paid while the workplace is temporarily closed.

As a first principle, employees should be able to decide when to take their annual holidays. Employers and employees may agree to take annual leave during temporary closures of a workplace due to COVID-19. If an employer and employee cannot agree, an employer may direct annual leave be taken if they have first discussed this with the employee and provided 14 days' notice before the annual leave is to be taken.

Working from home

When employees are working from home, they should prioritise taking care of their health and safety and the health and safety of their dependents.

This includes being aware of the risks around them and working out how to manage them. For example, taking breaks to manage fatigue, and making sure their workspace is ergonomically sound.

Employees should keep open contact with the employer. They should act in good faith and be honest with about how they are feeling and any concerns they have.

If the workplace is safe and an employee is returning to work, plan to commute ahead of time ahead of time. Check out public transport and carpark building availability.

Financial support

Wage Subsidy Scheme

To provide support to businesses experiencing a significant downturn because of COVID-19, the Government announced details of a wage subsidy scheme. The subsidy is to be paid to qualifying businesses on a 'per worker' basis for a 12-week period.

See guidance document on wage subsidy

Leave Payment Scheme

The COVID-19 Leave Payment Scheme is designed to help people who should self-isolate, but otherwise might be deterred because of financial reasons. The scheme is open to all workers in all firms, sectors, and regions, sole-traders and the self-employed where the need to self-isolate or recover from COVID-19 prevents a person from working.

See guidance documents on leave payment

Work and Income benefits

The Government has also removed the stand-down period to access main benefits effective 23 March 2020. This means people can apply for a main benefit (for example, if the workplace has temporarily closed, a person has had a reduction in hours of work, or has been made redundant) and once an application is approved a person may start to receive their main benefit sooner.

Benefits and payment – Work and Income:

<https://www.workandincome.govt.nz/eligibility/index.html>

Please note that this is general advice only and will vary for each specific situation. In addition, this continues to be an evolving situation. For specific and current advice relating to your unique situation, please get in touch with an expert from our employment team.