

Our Weekly News Digest for Employers
Friday, 5 April 2024

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Tax rate change for backdated lump sum payments

Multi-year backdated lump sum payments will now be taxed separately from other income received by a client in the same tax year. These lump sum payments will be taxed at the client’s average tax rate, calculated over the past four years before receipt of payment.

Prior to this change, backdated lump sum payments received by clients were taxed in the year of receipt at the client’s marginal tax rate. This meant that the lump sum payment may have moved the client into a higher tax bracket.

The amendment for this alternate tax rate was passed in the Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) Bill.

To read further, please click [here](#).

 ACC [2 April 2024]

Consultation opens proposing more time to comply with plumbing products changes under the Building Code

The Ministry of Business, Innovation and Employment (MBIE) has today opened a consultation proposing to extend the transition period end date for the lead and dezincification plumbing product provisions published last year, from 1 September 2025 to 1 May 2026.


“The most recent Building Code update consultation included a proposal to further reduce the allowable amount of lead in plumbing products which was met with an overwhelmingly positive response,” says Dr Dave Gittings, Manager Building Performance and Engineering.

“When we consulted on and announced the changes to lead in copper alloy

Employer News *continued*

plumbing products, the transition period end date of 1 September 2025 was in alignment with the introduction of equivalent lead-free plumbing product changes in Australia. However, in April last year, Australia extended their transition period end date by 8-months, to 1 May 2026.”

To read further, please click [here](#).

 Ministry of Business, Innovation and Employment [2 April 2024]

Government continues to deliver for New Zealand


Prime Minister Christopher Luxon has launched the Government’s next action plan to deliver for New Zealand – setting out key steps to be taken by June 30 to rebuild the economy, restore law and order and improve public services.

“Just like our 100-Day Plan, this next action plan is focused on three key areas to make life better for Kiwis:

- Rebuilding the economy and easing the cost of living
- Restoring law and order, and
- Delivering better public services.

“Having a clear plan with specific actions and timeframes for delivery creates momentum and drives focus.”

To read further, please click [here](#)

 New Zealand Governemt [2 April 2024

Secondary teachers moving to New Zealand fast tracked to residence

Secondary teachers moving to New Zealand will be put on a fast track to residency to help address workforce shortages, Immigration and Education Minister Erica Stanford announced today.

“Shortages in secondary teachers, especially those in specific regions and subject skills such as Science, Technology, and Mathematics, have been an ongoing challenge for the New Zealand education workforce.

“This Government is committed to turning around declining levels of achievement and ensuring that every child in New Zealand receives a world-class education,” Ms Stanford said.

“To attract skilled teachers New Zealand must be a highly competitive destination for overseas talent so that all schools have the best people with the right experience. To achieve this, the Government will move secondary teachers from the Green List Work to Residence pathway to the Straight to Residence pathway.”

To read further, please click [here](#).

 New Zealand Government [2 April 2024]

New tools strengthen immigration law enforcement

Starting 11 April 2024 Immigration New Zealand (INZ) will be able to issue infringement notices to employers with the aim of addressing lower-level immigration non-compliance and deter those who take advantage of migrant workers.

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Infringement penalties can include: a minimum fine of \$1,000, loss of accredited employer or Recognised Seasonal Employer status, and being banned (stood-down) from supporting further visas for migrant workers for a period of time depending on the number of infringement notices the employer receives. More serious breaches may result in criminal charges.

Being stood-down means employers cannot get their accreditation back or support visa applications during the stand-down period. Stand-down periods include: 6-month stand-down for a single infringement notice, an extra 6-month stand-down for each subsequent infringement notice and a 12-month maximum stand-down for multiple notices issued at one time.

Employers can hire migrants on open work visas while on the stand-down list. When the stand-down ends the employer must show they have rectified the matter and done what is needed to stop it happening again before they can get accredited again under the AEWV.

To read further, please click [here](#).

Immigration New Zealand [2 April 2024]

New Zealand “open for business” for Build To Rent

Associate Finance Ministers David Seymour and Chris Bishop say overseas investment in Build To Rent housing will be welcomed in New Zealand under a new directive letter they have issued to Land Information New Zealand (LINZ), the regulator for the Overseas Investment Act.

Build To Rent (BTR) is a type of medium to high-density residential development, specifically built for long-term rental housing.

“The letter will give BTR developers confidence by setting out the government’s policy approach to overseas investment in BTR and clarifying the existing pathways available to investors,” Mr Bishop says

“New Zealand has a shortage of quality rental housing, which is exacerbating housing affordability issues.

“This directive recognises that Build To Rent has the potential to boost the supply of good quality and secure housing in New Zealand and could benefit from overseas capital to build at large-scale.

To read further, please click [here](#).



New Zealand Government[4 April 2024]

Sustainability Survey and Update

Sustainability is one of the biggest commitments for businesses. Where are you on your sustainability journey? Share your thoughts by completing the BusinessNZ Network survey. [Go to survey.](#)

The Chamber, as a responsible business organisation, are committed to leading by example as we go on our own sustainability journey and helping members to build their own sustainability pathways. Find out more about what we are doing including upcoming events and who we have partnered with on this journey [here](#)

Employer News *continued*

The Employer Bulletin is a weekly update on employment relations news and recently published legal decisions. It is EMA's policy to summarise cases that contain legal issues relevant to employers. The purpose of the Employer Bulletin is to provide and to promote best practice in employment relations. If you would like to provide feedback about the Employer Bulletin, contact hradvice@cecc.org.nz