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# All District Health Boards

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## Pay Equity – Clerical and Administration

### Frequently Asked Questions

18 December 2020

*These Frequently Asked Questions (FAQs) have been prepared to address questions about the Clerical and Administration Pay Equity agreement.*

#### Initial agreement

##### **What is an initial agreement if it's not a settlement?**

In short, we're well advanced towards settlement, but it will be the middle of next year before we're finished. The first stage involved establishing the new role profiles and the top [pay equity] rates for the pay bands they sit in. Part of that agreement is an interim adjustment to pay rates while we work on the second stage – working out details like pay steps and progression. Most importantly, the PSA and DHBs need to map all existing roles and work out how we transition everyone from their existing pay rates onto the new national pay structure. We're aiming to have that done around the middle of next year.

##### **Why will it take so long to get a pay equity settlement?**

Because it's so complicated. The PSA and DHBs have to work through 1,500 existing unique job titles across 20 DHBs with widely varying pay rates to develop a new national pay structure. The first stage we've just completed has agreed the top rates of the pay bands the new roles will sit in. In the second stage we'll map all existing roles and work out how we transition everyone fairly from their existing pay rates onto the new national pay structure. We will also agree an approach to maintaining pay equity in the future.

##### **Who were the comparators?**

DHBs and PSA signed confidentiality agreements with the comparator organisations. People from these organisations were interviewed and pay equity tools and methodologies were used to compare their work and remuneration with clerical and administration employees.

##### **What was the criteria DHBs and PSA developed when identifying the comparators?**

In the case of the Clerical and Administrative claim, the first step was to identify potential male-dominated roles as comparators using the Australia New Zealand Standard Code of Occupations and their associated skill levels, and assess them against the criteria agreed by DHBs and PSA.

##### **When will the PSA report back to members?**

Report-back meetings run from 30 November until 11 December 2020 and will be followed by an electronic ballot. The results will be known by 15 December.

##### **How did the support services admin get so much lower rate?**

It is important to check the descriptor with the national role profiles. The valuing of the role was based on the roles that had been mapped to it. If the mapping exercise next year shows that there are differences in functions that need to be recognised in an additional role profile, then this will be addressed in the 2021 DHB / PSA work programme to be carried out under the Terms of Agreement.

##### **What is the cost of the total settlement per DHB?**

DHBs have an approved financial mandate for the total settlement. Actual costings will be finalised once the work has been completed to translate each employee covered by the claim to the new national pay rate and job banding structure.

## **Interim adjustment**

### **What is the interim adjustment?**

The adjustment is a \$2,500 flat rate increase to existing pay rates while we continue working towards a pay equity settlement. It means those covered by the claim receive something while we carry out the work.

### **Who will get the adjustment?**

The adjustment will apply to all clerical and administration staff who currently receive less than the pay equity rate. This includes those workers who aren't PSA members covered by the four regional MECAs, and those covered by IEAs or collective agreements negotiated by other unions.

### **Will everyone get the same adjustment?**

The interim lift will increase pay for workers who currently receive less than the agreed top pay equity rate. As much as \$2,500 a year will be added to their salaries.

### **How do you account for workers with higher pay rates receiving smaller or no adjustment?**

This claim is about addressing undervaluation and bringing rates across the country up to the new agreed pay equity rate for the role. For the minority of cases where people are already receiving the new rate, there is no undervaluation to address. Remember also, this interim adjustment and increase in rates are different to MECA bargaining where any negotiated agreement is applied across-the-board.

### **When will we receive the interim adjustment?**

The interim adjustment is effective from 30 November 2020 and we aim to deliver this in the first quarter of next year.

### **Is the interim adjustment a one-off increase?**

The interim adjustment is not a one-off, it is the first step towards national pay equity rates. When the settlement is finalised next year, there will be further pay equity increases until pay equity is fully implemented.

### **What happens if someone opts out?**

All clerical and administration staff covered by the claim will be offered the interim adjustment irrespective of union membership or which agreement they're on. For most workers who currently receive less than the pay equity rate, as much as \$2,500 a year will be added to their salaries. Anyone who has chosen to opt out will not be offered the interim adjustment. However, the new Equal Pay Amendment Act provides that those who opt out will be offered the benefit of the final pay equity settlement. If someone who opts out accepts the pay equity settlement, they will not be able to make their own pay equity claim.

### **When will we know what our pay rate will be for the interim adjustment?**

The interim adjustment is effective 30 November and is expected to be paid out by 31 March 2021 but may be earlier depending on each DHB's payroll workloads. A letter will be sent to each employee advising the annual base salary following the application of the interim adjustment.

### **Do performance appraisals need to be completed to be eligible for the interim adjustment?**

There is no requirement to complete performance appraisals to be eligible for the interim adjustment.

### **Do you have any guidance for how to approach local DHB ratification for non-union members?**

For non-union employees whose work is covered by the claim and who are on IEAs, it will be the

responsibility of the DHBs to propose variations for the MECA-derived or “true IEAs” involved. Consultation and advice will be available for DHBs through [payequity@tas.health.nz](mailto:payequity@tas.health.nz)

**What about the \$2000 MECA-related adjustments (South Island 1 Feb 2021; Midlands 1 March 2021)**

The Terms of Agreement make it clear that the interim adjustment will be in addition to and will not be offset against any MECA related adjustments and/or progression through current salary scales.

For those receiving a \$2000 MECA-related adjustment, if the MECA-related adjustment means that their annual base salary is near to or above the pay equity benchmark rate, this will be taken into account in calculating the applicable interim adjustment as per the Terms of Agreement.

This may result in two periods for the backdating of the interim adjustment:

30 November to 1 February (South Island) or 1 March (Midlands)

1 February (South Island) or 1 March (Midlands) onwards

**What are the timings around the interim adjustment in relation to the \$2000 MECA related adjustments for the South Island and Midlands?**

It is likely that the \$2000 MECA related adjustments for South Island and Midlands will be implemented by payroll at the same time.

**What is the cost of the interim settlement per DHB?**

DHBs had an approved financial mandate for the pay equity bargaining. The Ministry of Health will liaise with each DHB in relation to access to the government funding for the interim adjustment once the cost per DHB is finalised.

**What do I get if I am part time?**

The Terms of Agreement state that employees that work less than a 40-hour week will receive the increase of \$2500 pro rata. They also state that employees on a 37.5-hour rate will receive a proportional or pro-rated increase unless specified in the applicable regional MECA schedule or is a grand parented provision.

**What do I get if I am close to the top of the new band?**

If your annual base salary is close to the applicable pay equity benchmark rate (top rate) then you will receive the amount of the interim adjustment to take you to the top rate.

**What happens if I am over the top of the new band?**

If your annual base salary is above the applicable pay equity benchmark rate (top rate) you will not receive an interim adjustment as you are already being paid the pay equity rate for your work.

**What if I have an allowance that takes me to the top of the new band?**

The pay equity benchmark rate is the top rate for the annual base salary only. Allowances are not counted in determining if your annual base salary is at the top rate.

**What if I have moved to a new role that is not covered after the 30th November 2020, will I get the backpay and increase on my previous role?**

The interim adjustment applies to all those employees employed in work covered by the claim as at 30 November. If you have moved after 30 November to a role not covered by the claim, then it will mean only those days from 30 November at the previous role to the date of moving to the new role will be paid at the previous role’s annual base salary as adjusted by the interim adjustment.

**What if I am new, what does this mean for me?**

From 30 November, all employees carrying out work covered by the claim will be eligible for the interim adjustment, including new employees.

**What if I have two jobs within the DHB or jobs at two DHBs?**

For a multi-jobbed employee each role will be considered separately. As the interim adjustment is an adjustment to base salary there will be no disadvantage for those in multiple roles.

**I was employed at the DHB on 30th November 2020 however I have now left the DHB. Do I still receive the lump sum and back pay payments?**

The interim adjustment is an increase to annual base salary, not a lump sum. The interim adjustment was effective 30 November, so you will receive any increase for the 30<sup>th</sup> November and any additional days you were carrying out work covered by the claim while at the DHB.

**I think I am eligible for a pay equity payment; however, I have not received backpay or salary increase? Who do I contact?**

The interim adjustment is effective 30 November. If you are eligible for the interim adjustment you will receive it when payroll at your DHB is in a position to implement it in the first quarter of 2021.

**Why did I get paid less for my back pay than I expected?**

As per legislation your back pay will have any tax, student loan or KiwiSaver deducted from the gross amount. For more information please see the IRD website: [www.ird.govt.nz](http://www.ird.govt.nz).

**Does the back pay affect my Independent Earner Tax Credit?**

This back-pay payment may affect your Independent Earner Tax Credit as it will be included in your salary or wages as part of your income. For more information please see the IRD website: [www.ird.govt.nz](http://www.ird.govt.nz).

**Does the back pay affect my Working for Families Tax Credit?**

This back-pay payment may affect your Working for Families Tax Credit as it will be included in your salary or wages as part of your income. For more information please see the Work and Income website: [www.workandincome.govt.nz](http://www.workandincome.govt.nz).

**I am currently on ACC Leave. Does the back-pay payment affect my ACC Payments?**

Yes, your back pay will need to be included in any future reimbursement calculations and advised to ACC.

**Why has my allowance amount changed?**

Some allowances are based on a percent of your current salary. Therefore, if your salary changes then your allowance amounts will change also.

## Next steps

**How will the national pay structure work?**

That's the detail we have to work on next – so far we've agreed 15 different role profiles covering the vast majority of the existing work and the top step of each pay band. The next stage will include mapping remaining work and applying the agreed Pay Design Principles to develop a national pay rate and job band structure. That will include the size and number of steps in each band and how people progress up the pay band.

**What is the overall increase I will receive in the pay equity settlement?**

The interim adjustment is a flat dollar increase to existing pay rates. Once we get to the proposed pay equity settlement, people will get details of the role they'll transition to and the pay step they'll be on. The amounts for individuals will vary significantly depending on how big the gap is between the old and new rates. The amount of variation is the reason why it will take until the middle of next year to finalise the settlement.

**How many people are covered by this claim?**

Approximately 8,700 clerical and administration employees across 20 DHBs.

**Will this be in addition to the process for future bargaining?**

Pay equity is about addressing historic undervaluation and is separate from collective employment agreement negotiations. Having a new national pay structure and pay bands will affect future bargaining.

**When can we see the new pay bands?**

We have agreed the top rates for each band, over the next six months we'll complete the new national pay rate and job banding structure – the aim is to have this finished by the middle of next year.

**What if a worker is already at the top of the pay band? Will they get an increase?**

Pay bands and rates vary widely across the country and as with the interim adjustment, someone already paid the same or more than the pay equity rate for their role won't get an increase. There aren't many people in that position and the vast majority will see their rates increase – in some cases quite substantially.

**What happens if there are new roles or roles change in the new structure?**

The new pay structure will include a gender-neutral job evaluation system to provide a consistent framework for measuring the size of roles as they change or as new roles are introduced.

**What about new employees starting before the pay equity settlement?**

Existing terms and conditions will apply, including the interim adjustment, and the person will transition to the new national pay structure at the same time as everyone else.

**Are any improvements other than pay increases being considered?**

In addition to pay equity and addressing historic undervaluation, the clerical and administration workforce will have a national pay rate and job banding structure ensuring consistent pay rates across the country – something this workforce has never had before.

**Can the DHBs afford to pay it?**

Yes. The Government has committed funding to address the historic undervaluation.

**How will this impact the other pay equity claims for nurses, midwives and allied public health, scientific and technical workers?**

It won't. Each claim will work through its own process using the pay equity tools and methodologies.

**What is the appeals process?**

Next year, after the mapping process, and once employees covered by the claim have been informed of the role and job band they have been mapped to and the pay band and step they have been translated to in the national pay rate and job banding structure, there will be an appeal process that employees can access where there is ground for appeal. This is set out in the Terms of Reference, Appendix 3.

**Will casual time in a role count in terms of service?**

Casual time in a role will count where it is continuous with an appointment to carry out the same work in a permanent role.

**Will the translation based on time in role consider merit?**

Translation based on time in role will consider all time spent in the role including time spent on merit steps.

**Is it worth finishing merit now?**

The current rules around progression, merit steps, and appointment to pay scale will continue to be in place until the new national pay rate and job banding structure is in place.

**Why would someone opt out?**

Employees will have their own reasons to exercise the right they have to opt out.

**When do the new national pay bands come into place?**

The new national pay bands will come into force once the parties have agreed a pay equity settlement and the settlement has been ratified. This is expected by mid-year 2021.

**How do I know what my new scale is?**

At the moment there are only the pay equity benchmark rates, or the top rates for the national pay rate structure. Part of the work programme the parties have committed to in the Terms of Agreement is to jointly develop the pay scales and steps for each band.

**How do I opt out if I want to? I have opted out of the pay equity claim to take one up myself. What is this process?**

As per the Equal Pay Amendment Act 2020, your DHB has put out notifications to all employees covered by the claim that include the provisions providing information on opting out and pursuing your own claim.

## Mapping

**What are the current roles covered in the role profiles? How were the national profile roles decided?**

There are 15 national role profiles: Team Leader, Team Supervisor, PA / EA with staff, PA / EA without staff, Scheduler, Team Administrator, Medical Secretary, Ward Clerk, Transcriptionist, Payroll, receptionist, Telephonist, Finance Administrator, Support Services Administrator, Records Clerk

The national role profiles were developed from mapping the work carried out currently under 1500 job titles across the Clerical Administration workforce. The outcome was that the large majority (91.8%) of the work is covered by the 15 national role profiles.

**Will the national role profiles right current inconsistencies between different job titles for people doing the same work?**

The aim is to have consistent national role profiles that bring together roles doing the same work but with different job titles under the same national role profile.

**How do we find out where we sit in the bands? Which band am I in?**

Everyone will be provided with the details on the national role profile and job band that they are in following the mapping to be undertaken by the PSA and DHBs next year.

**How is the mapping exercise conducted?**

The mapping exercise next year will be a joint process carried out in partnership between DHBs and PSA representatives at the local level. Spreadsheets of employees, current job titles, information and guides from the national role profiles will be provided to the joint committees to help them carry out the mapping.

**What is the difference between a team leader and team supervisor?**

A team supervisor is a working team member who also has a Team Supervisor role and may from time to time assist with the work of the team. A team leader is at the level of managing staff including recruitment and managing budgets.

**For roles currently under IEA profiles (e.g. payroll team leader / rosters team leader) should these be matched to the team supervisor role as the role description?**

Any role that carries out the work of a team supervisor should be matched to the Team Supervisor role if that is the work they do. If the feedback from mapping is that the national role profile needs to be made more generic this can be addressed as part of the process.

## Coverage

**Are casual employees covered by the claim?**

All employees who carry out the work covered by the claim are covered by the claims process, including casuals.

**Will those terminated, retired or DHB transfers still get backpay?**

Employees employed as at 30 November will receive the interim adjustment.

**Should ICT roles be included?**

ICT roles are currently included in the coverage clauses of some MECAs and were included in the pay equity claim put forward by the PSA. Part of the mapping process next year will be to clarify some of these areas and could include discussions and decisions by the parties on where such roles sit.

**If employees on IEAs are currently earning in excess of the maximum rate are they part of the claim?**

Those on IEAs above the rate are still covered by the claim but will not receive the interim adjustment.

**If people are currently being paid more than the top rates, are they covered by the claim?**

Employees currently paid more than the top rate (pay equity benchmark rates) are covered by the claim. The Terms of Agreement protect those rates by stating that “in circumstances where an employee is paid more than the top pay equity rate for their work/role, their pay rate will not be reduced in the transition to the new national pay rate and job banding system. The employee will remain at that level until future increases in benchmark rate supersedes their rate.”

**I am on an Individual Employment agreement, am I eligible for a pay equity payment?**

All employees who carry out the work covered by the claim are covered, irrespective of their employment agreement or whether they are members of the union. If you are covered by the claim, you are eligible for the interim adjustment.

**Why has my job not been included in the pay equity review?**

It is important to remember that pay equity is about the work you do and not your job title. Almost all of the 1500 job titles that apply for the clerical and administration workforce fit the 15 national role profiles. The mapping process will show if your work has been covered or not. If your work is not covered, then there will be a process to sort it out.

**What about casuals, what is my entitlement if I am a casual?**

The Terms of Agreement states that “the interim adjustment applies to casual employees based on their hours of work dated from 30 November 2020 to implementation of the adjustment.”

**I am currently on Parental Leave. Will I still receive the salary increase and back pay? And when will it be paid to me?**

The Terms of Agreement states that “qualifying employees who are on approved leave without pay or parental leave on the date of payment shall be eligible to receive the increase on their return to work.”

## Pay Equity

**I don't have any information about pay equity? Where do I go to find it?**

Refer to the [TAS website](#)