

# Prisoner Incentive Allowance

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## Purpose

This policy provides information about the Prisoner Incentive Allowance Framework (PIAF), including how the prisoner incentive allowance is to be applied to prisoners working in OE activities. By default the policy also includes the rates for prisoners engaged in unit based employment, programmes and study.

***All staff are responsible for ensuring that, under this policy, risks to health and safety are eliminated or minimised so far as is reasonably practicable.***

The Prisoner Incentive Allowance Framework (PIAF) creates an incentive for all prisoners (except remand prisoners imprisoned for less than 7 weeks and prisoners on release to work) to improve their work habits, to attend vocational training and rehabilitation programmes as detailed in individual offender plans. The PIAF details how the incentive allowance operates, the incentive payment rates and how prisoners progress through those rates.

Remand prisoners and those detained under the Immigration Act 2009 may only be employed under s66 of the Corrections Act 2004 if they ask to be employed.

Release to Work activity is specifically excluded from the PIAF.

## Considerations

These are some factors to consider when deciding if you have followed the procedures required for payment of the Prisoner Incentive Allowance (PIA).

- Are prisoners only being credited the PIA as per the criteria in Schedule 1 available in **Key Resources**?
- Have Formative Assessment forms been used to support prisoners progressing through the PIAF?
- Have additional incentives been appropriately approved?

## Actions

## Framework principles



Training is a critical component of providing prisoners with employment skills. The elements of training comprise basic work attendance skills, on the job training and, to the maximum extent possible, nationally recognised certification of skill levels achieved.

The PIAF is designed to incentivise prisoner improvement in work habits, work skills, and rates of attendance and participation in programmes. The framework is intended to encourage prisoners to improve their performance in five offender-employment related areas:

- motivation for work
- timekeeping
- work-place relationships (co-workers and supervisors)
- ability to listen and follows instructions
- adherence to health and safety.

So far as is possible, prisoner employment should reflect a normal working environment. This means that periods of absence, attendance, training performance, and health and safety should reflect a typical workplace as closely as possible.

It is desirable that prisoners accept work, employment training and programme attendance on a voluntary basis. As prisoners are able to be provided with work, or directed to work (subject to specific criteria), it is not deemed necessary to ask a prisoner (apart from those on remand or detained subject to the Immigration Act 2009) to acknowledge that they are working or attending employment training or a programme on a voluntary basis. Refusal to work or attend a programme will result in no incentive allowance being paid. Section 66 (6) (b) of the Corrections Act 2004 specifies the types of work that a prisoner can be directed to perform.

## Relationship to case management



Many prisoners spend several years in custody. It is important that they have “career” progression, which utilises and builds on skills and experiences gained within prisoner employment. Prisoners are encouraged to aim for an employment-training goal, complementary with their release date, that takes what they have learnt and gives work ready skills that will assist them to obtain jobs on release. The PIAF provides advancement regardless of the industry in which the prisoner is employed. The focus

should be to develop prisoner skills and positive work behaviour regardless of the industry.

Prisoner employment labour requirements are to be assessed and positions created based on self-sufficiency and industry needs. Detailed job descriptions outlining tasks, skills and experience necessary are to be provided to enable case management staff to match job skills with prisoner needs. Prisoners' waitlisted for employment training opportunities will be advised of work opportunities as they become available.

## Hours

The hours that a prisoner works will be determined by prison industry needs and operational parameters that apply at each prison site. However, the following working conditions under s 81 of the Corrections Act 2004 apply:

- Unless there is an emergency, no prisoner may be required to work on a certain day if working on that day would be inconsistent with the prisoner's genuine religious beliefs or practices
- No prisoner may be required to work for more than 40 hours per week
- Every prisoner is entitled to 1 day or rest in each week.

When a prisoner has particular skills, and is willing to work, the upper time limit they are able to work is based on safe work practices. A national average of 30 hours per week per prisoner was adopted as a target to ensure available work is spread over a maximum number of prisoners. The requirements of specific industries may mean some prisoners routinely work more or less than this, or that hours of work vary with seasons or the business cycle.

To ensure safe working practices are maintained, prisoners will normally not be asked to work for more than six consecutive days of each week. The only exception will be prisoners who are training for a specialist career (eg farming) who may be required to work seven days a week from time to time in accordance with industry norms.

## Allowances

The PIAF provides an allowance for prisoners ranging from \$0.00 to \$0.60 per hour across seven classes of payment:

Allowance Class	Allowance Category	Allowance Rate
Class zero	Refused work or programmes	\$0.00

	Dismissed from work or removed from programmes	
Class one	Sick or unemployed	\$2.70 per week, or \$0.09 per hour
Class two	Initial	\$0.20 per hour
Class three	Average	\$0.30 per hour
Class four	Senior	\$0.40 per hour
Class five	Advanced	\$0.60 per hour
Class six	Programme/study allowance	\$0.20 to \$0.40 per hour, or employment rate if employed

Unemployed sentenced prisoners meeting the criteria under Class one will receive payment at rates of \$2.70 per week or, if part of a week is worked, \$0.09 for each hour unemployed.

Unemployed remand prisoners will be entitled to receive the unemployment rate of \$2.70 per week, or \$0.09 per hour, commencing from the seventh week on remand. This entitlement must be assessed using the criteria set out within the Class one category.

All prisoners commencing work will start on Class two at the initial rate of \$0.20 per hour. Prisoners have the opportunity to progress through the classes based on their assessed behaviour and performance (refer *Progression* section below).

All prisoners who are not employed but who are attending a programme (including vocational training defined as the hours spent receiving formal delivery or tuition) will start on Class two at the initial rate of \$0.20 per hour. Prisoners have the opportunity to progress through the classes to Class four (\$0.40 per hour) based on their assessed behaviour and performance.

Prisoners attending programmes (including vocational training) who also hold employment training position will receive the allowance rate applicable to their achieved allowance class applicable to their employment when attending programmes.

Class five is not available to prisoners for unit-based internal self-sufficiency work.

Class five is available where a prisoner is employed in offender employment (OE) managed industries and that prisoner demonstrates exemplary performance, work skill, behaviour and qualification. Assistant prison directors must authorise the approval of the Class five allowance rate to a prisoner.

Class five is also available where a prisoner is engaged in an OE managed vocational training programme(s), or any other programme / study in their offender plan and that prisoner joins that programme(s) from an OE managed industry where they were receiving the Class five allowance rate.

Incentive allowances are a charge against the appropriate cost centre. Class one incentive allowances, for unit managed self-sufficiency and community service work is charged to the unit. Class six incentive allowances are charged to the relevant programmes or unit budget.

Incentive allowances for other allowance classes are to be charged to the relevant unit or OE cost centre. In this way the activity supervisor is accountable for the cost of labour, in relation to the value of work performed. The activity supervisor or unit must maintain records that document the rates paid to individual prisoners and the Formative Assessment form, which can be used to explain to prisoners why a particular rate has been paid.

Refer to Schedule 1 under **Key Resources** for further details on each allowance category and the associated rate of payment.

## Payments

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Payments are made weekly. Payments above Class one will only be made where work is available, except for Class six. The amount paid is obtained by multiplying total hours worked for the week by the hourly rate payable for that prisoner based on their work role, Formative Assessment form and work experience.

All hours worked will be paid for.

Management of prisoners consistent with “Active Management” is required to ensure prisoners work constructively and that incentive payments are not simply seen as attendance money.

Temporary absences from work (eg temporary sickness, attendance at court, approved visits, temporary industry closures) are to be paid at a prisoner’s usual employed rate. Temporary industry closures (includes OE and unit based work parties) are generally identified as closures due to periods of annual leave sick leave, and as a result of activity demand for a maximum of five days. If an industry closes for a period greater

than five days, payment may continue at the discretion of the assistant prison director, or residential manager in the case of internal unit based employment.

In the event that a prisoner is unable to work for longer than five days consecutively (eg due to longer term illness or injuries) then they will revert to the unemployment rate. If upon medical clearance to return to work, the prisoner resumes work in the same employment activity, (and if any injury sustained was the result of an accident where the prisoner concerned was not at fault), then they may be reassessed and may revert to the class of incentive being received at the time of the injury / illness if this was higher than the initial entry rate.

In the event a prisoner works a normal week of less than 30 hours then the prisoner will receive an incentive payment for the period of time worked, and an unemployment allowance for the 30 hours less the actual time worked for the week.

For example, a prisoner who works 10 hours per week will receive 10 hours allowance at their assessed rate, and 20 hours allowance at the unemployed rate.

In the event that an industry ceases operations, then affected prisoners will be given first option for available work that meets the prisoner's offender plan objectives at the same incentive rate as was previously paid, or paid an unemployment allowance if no work is currently available, provided each prisoner remains willing to work.

Attendance records are to be maintained for all prisoner workers and for attendance at programmes to support incentive payments made.

## Progression

Prisoners will commence on the initial allowance level, Class two. Prisoners can progress to different allowance classes when the results of Formative Assessment forms permit an increase. The incentive allowance payment is an automatic entitlement, provided assessment requirements are met and timesheets indicate that work or attendance at programmes has occurred.

Prisoners must remain on Class two for a minimum period of two weeks (10 working days) prior to being assessed (using the Formative Assessment form) for a higher allowance to allow for a considered judgement to be made on progress.

Prisoners who move from one work party to another within a site may continue to receive the same rate of incentive allowance, dependent on performance. Prisoners who move from one prison site to another are to start work at the new prison on a Class two rate.

Completed Formative Assessment forms are to be countersigned by the manager industries / residential manager or approved delegate prior to changing a prisoner's

allowance class and increasing or decreasing a prisoner's incentive allowance.

PIAF Formative Assessment forms for prisoners participating in vocational training are to be countersigned by the Manager Industries or approved delegate prior to changing a prisoner's allowance class and increasing or decreasing a prisoner's incentive allowance.

Prisoners are expected to be actively managed in accordance with the supported decision framework in the Case Management Practice Centre. However, if work habits and/or performance declines, then a Formative Assessment form may be completed to change the applicable allowance class to recognise the demonstrated behaviours and performance.

[Collapse all](#)

### Additional incentives

The Department may provide additional minor incentives to prisoners for example; prisoners can be motivated, subject to health, safety and security issues, with minor privileges in the workplace such as coffee, and / or biscuits.

There will be occasions when staff requests to acknowledge an excellent effort by rewarding prisoners through the provision of additional rations / foodstuffs. The following guidelines are provided to ensure consistency of practice within OE.

- All requests to acknowledge an excellent effort by prisoners through the provision of additional rations / foodstuffs or incentives are to be approved in the first instance by assistant prison directors.
- Such occasions are to be confined to acknowledging extraordinary efforts and are not to be used as additional incentives to undertake ordinary workloads.
- All rations / foodstuffs are to be procured and prepared through OE Internal Services. This requirement ensures that all food prepared for consumption by prisoners is prepared and cooked in hygienic conditions in line with Ministry of Health guidelines.
- The cost of additional rations / foodstuffs is not to exceed \$10 per person.
- On such occasions all foodstuffs are to be consumed at the work site. No foodstuffs are to be permitted to be taken back to residential units.
- On occasions when an external customer, client or contractor wishes to provide a reward to prisoners to recognise an excellent effort, approval is to be provided by assistant prison directors. As with bullet point 3 above, all rations / foodstuffs are to be procured and prepared through OE Internal Services. The cost of this is to be paid by the customer to Internal Services prior to the function being completed.

### Other issues

The provision of employment training opportunities for prisoners by the Department does not constitute an employment relationship. Prisoners do not become Departmental employees. Rather, the provision of employment training opportunities by the Department is an opportunity for the acquisition by prisoners of work skills and habits and is usefully regarded as a training initiative.

As they are not employees of the Department, prisoners do not have the same rights of employees under the Employment Relations Act 2000, the Holidays Act 2003 and other employment related legislation. If prisoners have any concerns or complaints in regards to employment training opportunities provided by the Department OE staff should attempt to resolve their concerns at the lowest possible level by talking to the prisoner. If the issue cannot be resolved the prisoner can complete a complaint form. If the issue is still unresolved after the internal complaints process has been followed the prisoner should be informed they can make a complaint to the Department's Complaints Response Desk on 0800 326 778. Notwithstanding the above complaints process there is nothing to prevent a prisoner contacting an Inspector of Corrections or the Office of the Ombudsman at anytime to discuss a complaint.

While not employees of the Department, prisoners are subject to the Health and Safety at Work Act 2015. The Department's obligations to comply with the provisions of that Act, in respect of its activities include all prisoner employment training activities and the Department has the same basic responsibilities in health and safety terms towards prisoners as it has towards its employees.

Although incentive payments are minimal in quantum and thus not subject to income tax through the PAYE system, the payment is still considered to be "income" for prisoners. It must therefore be declared if a prisoner's total earnings require them to provide an income tax return. Regions will therefore advise prisoners the total incentives paid during any given tax year upon request.

## Funding

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The PIAF in Schedule 1 under **Key Resources** provides for prisoner incentives at a level broadly comparable to previous incentive payments costs, as the revised incentive payment scheme cannot create additional costs to the Department.

## History of this policy

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Refer to **Key Resources** for the transition strategies that were applied when changes were made to the Prisoner Incentive Framework.

## Roles and responsibilities

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Refer to the roles and responsibilities table below for the actions staff are required to undertake.

Position	Responsibilities
Prisoner	<ul style="list-style-type: none"> <li>• Signs Formative Assessment forms.</li> </ul>
OE Instructor and Unit Supervisor	<ul style="list-style-type: none"> <li>• Completes Formative Assessment forms for increases or decreases to an incentive allowance.</li> <li>• Arranges for prisoners to sign completed Formative Assessment forms.</li> <li>• Reviews prisoners behaviour and performance for increase from the initial rate after 10 working days.</li> <li>• Makes judgement decisions when to complete Formative Assessment forms for an increase or decrease after Class two (initial rate).</li> </ul>
Manager Industries	<ul style="list-style-type: none"> <li>• Approves Formative Assessment forms for prisoners moving between Classes two to five for employment in OE activities.</li> </ul>
Residential Unit Manager	<ul style="list-style-type: none"> <li>• Approves Formative Assessment forms for prisoners moving between Classes two to five for unit based employment.</li> <li>• For unit based employment makes decision as to whether the incentive allowance will continue to be paid when the temporary closure for work is greater than five working days.</li> </ul>
Assistant Prison Director	<ul style="list-style-type: none"> <li>• For OE activities makes decision as to whether the incentive allowance will continue to be paid when the temporary closure is greater than five working days.</li> <li>• Signs the Formative Assessment form when approving a prisoner working in an OE Activity to receive the Class five allowance of \$0.60 per hour.</li> <li>• Approves requests from staff, or external clients, customers or contractors to reward prisoners with additional rations / foodstuffs to acknowledge an excellent effort.</li> <li>• Approves additional minor incentives for prisoners working as coffee and / or biscuits.</li> </ul>

Released under the Official Information Act 1982

# Forms, Templates and Tools

Formative Assessment Form DOCX, 23.4 KB

## Key Resources

Schedule 1 Prisoner Incentive Allowance Framework PDF, 75.8 KB

### History of this Policy

In 2002 Corrections Inmate Employment (CIE) implemented the PIAF to take effect from July 2002.

The PIAF focussed on providing prisoners with incentives to improve their work habits, to work toward lowering their security classification, and to attend programmes as detailed in individual offender plans. It was intended to support the development of a structured day for prisoners.

The history of changes made to the PIAF since 2002 has been retained to provide a historical reference and the text changed to the past tense. Whilst amendments have been made to the way the PIAF was to be applied no change has been made to the amounts that can be paid. These have remained between \$0.00 and \$0.60 cents per hour since 2002.

### Transition Strategies Applied from 1 July 2004

In response to an issue raised by the Office of the Ombudsman in May 2003, the PIAF was revised to standardised prisoner incentive rates. That revised PIAF was implemented from 1 July 2004. The transition strategies that were to apply are listed below:

From 1 July 2004, all “new” prisoners were to commence on the revised rates in Schedule 1. This included all prisoners who were:

- sick or unemployed as at 1 July 2004,
- new entry workers to either Unit based or OE employment, or
- new entry prisoners to a programme.

All prisoners as at 30 June 2004 who were on the Class two, initial allowance rate of \$0.20 were to be moved to the next class payable in Schedule 1 when reassessed.

As at 30 June 2004 all other prisoners who were receiving an allowance within Classes three to five were to continue to receive that particular allowance rate (i.e. it was grand parented) while employed or because of programme attendance, except in the following circumstances:

- If, because of poor performance a prisoner was required to have their incentive allowance reduced to a lower rate, then the Schedule 1 rates were to apply.
- Prisoners transferred from one prison to another were to commence any new employment on allowances consistent with the Schedule 1 rates.

If a grand parented prisoner was assessed using the Formative Assessment form for a higher incentive than they were currently receiving according to Schedule 1 of the revised PIAF, they were permitted to progress, to the new rate consistent with the revised framework.

Grand parented prisoners who refused to work or undertake programmes, or who were removed from work or programmes, who then at some point, gained another employment position, were permitted to commence work on the rates consistent with Schedule 1.

Grand parented prisoners who refused to work because of illness or injury for a period longer than five working days were to revert to the unemployment rate. However, if upon medical clearance they resumed work in the same position, within the same employment activity, (and if any injury sustained was the result of an accident where the prisoner concerned was not at fault), then they were able to be reassessed and revert to the grand parented rate received prior to the injury / illness.

Grand parented prisoners were not able to continue to progress through the “old” incentive framework according to security classification. Prisoners remained on their particular grand parented rate until one of the conditions stated in the last three paragraphs of the *Progression* section occurred, or upon release.

### **Transition Strategies Applied from 1 December 2005**

Further amendments were made to the PIAF effective from 1 December 2005. The transition strategies that were to apply are listed below:

The word inmate(s) was replaced by the word prisoner(s). The only exception to change was where the word inmate was used in the Department’s Corrections I. Employment service name.

CIE sector managers were permitted to approve prisoners progressing from Class four (40 cents per hour) to Class five (60 cents per hour).

CIE businesses no longer needed to provide a positive contribution before prisoners could progress from Class four to Class five.

CIE sector managers (position no longer exists) were permitted to approve requests by staff to acknowledge an excellent effort by prisoners through the provision of additional rations / foodstuffs.

Due to the increased number of prisoners participating and scheduled to participate in Vocational Training, the PIAF was also updated to ensure that section of the prison population was acknowledged in regard to incentive payments.

Policy Update as at date of publication

Corrections Inmate Employment (CIE) no longer exists as a separate group. Industries staff are now part of Corrections Services.

Changes to this policy have:

- aligned the staff positions to the current organisational structure
- deleted information no longer relevant
- updated for grammar and readability
- included instructions relating to:
  - explicit references to sections 66 and 81 of the Corrections Act 2004
  - clarifying in Schedule 1 that increases and decreases for allowance Classes three and four require the use of the Formative Assessment form for OE employment positions.

Last Published: 21.11.2019 | By: Outside of Scope