

**INLAND REVENUE**

**2011 STANDARD TERMS  
EMPLOYMENT AGREEMENT**

**May 2011**



**Inland Revenue**  
*'Te Tari Taake*

## **1. EMPLOYMENT POLICIES**

### **1.1 Employment Philosophy**

We value our employees' ability to make their own decisions depending on what is happening at any time, within the context of the appropriate policies and procedures.

It is neither possible nor desirable to set rules regarding everything that can happen in a workplace. However it is desirable to set out the general terms and conditions of employment to provide a foundation for our relationship. These Standard Terms of Employment should be read in conjunction with your appointment letter or subsequent letters of offer.

Policies and procedures may be introduced and amended from time to time, at Inland Revenue's discretion. You must also make every effort to become familiar with them and to ensure they are followed.

### **1.2 Variations**

The provisions of this agreement may be varied, provided such a variation is recorded in writing and signed by both parties.

### **1.3 Nature Of The Employment Relationship**

The Chief Executive is your employer while you are employed by the Inland Revenue Department.

Where reference is made in these Standard Terms of Employment to "Inland Revenue" it shall mean the Chief Executive or their nominee.

### **1.4 Foundation Principles For Employment**

The following are the principles that underpin the employment relationship. They are binding on both Inland Revenue and you:

- We will value each other and act with integrity, honesty, respect and trust and will develop a relationship based on these features.
- We will be ethical in our dealings with each other and with our customers, and will maintain appropriate standards of confidentiality.
- We will meet and be seen to meet all legal obligations consistently and impartially.
- We will act professionally in all interactions with customers, service providers and colleagues within Inland Revenue, and will take responsibility for our actions.
- We will work together co-operatively to promote responsiveness, flexibility and efficiency in meeting our customer needs, while balancing those needs with the needs of the business.
- We will work together to build a safe and healthy work environment and will meet our obligations under the health and safety legislation.
- We will pursue quality, because it is fundamental to our success.

### **1.5 Inland Revenue's Commitment**

As your employer, Inland Revenue is committed to the following actions and approaches:

- Encouraging and engaging in open two-way communication.
- Supporting employees in their endeavours to fulfil their duties.
- Encouraging skill development for individuals and recognising and rewarding high performance.
- Encouraging suggestions for innovation and better ways to do things.
- Exercising good judgement.

## **1.6 Your Role And Responsibilities**

Your work responsibilities are to:

- be honest, diligent and perform to the best of your ability.
- work as part of a team and promote the efficient operation of your team and other teams within Inland Revenue to achieve the best outcome possible.
- conduct yourself professionally in all interactions with customers, service providers and officers of Inland Revenue.
- take responsibility for your own development and participate in the opportunities for development that Inland Revenue offers.
- promote efficiency in Inland Revenue and contribute to the responsible operation of our business.
- take responsibility for your own actions and for undertaking your duties.
- maintain appropriate ethical standards, and develop relationships based on trust, confidentiality and integrity.
- comply with, and promote compliance with, the Inland Revenue Code of Conduct.

You may from time to time be placed in another position of similar responsibilities without adversely affecting remuneration and other conditions. Such a placement may be in the interests of organisational efficiency and/or your own development.

Where such a placement involves a significant change in location your agreement will be sought. If you agree to such a change you will be reimbursed for all actual and reasonable expenses incurred in taking up the appointment.

You will be given no less than three months' notice of any placement involving a significant change in location.

## **2. REMUNERATION**

### **2.1 General**

Details of your remuneration are set out in your appointment letter.

Your remuneration will be reviewed in accordance with the relevant Remuneration Policy as amended from time to time. The current version of this policy is available on the intranet.

### **2.2 Expenses**

You will be reimbursed for actual and reasonable authorised expenses incurred by you in the course of your employment.

### **2.3 Deductions**

Where time off is to be unpaid including if you are absent from work without authority, or otherwise in default, we may make the appropriate adjustment to your remuneration. Where this occurs you will be notified.

### **2.4 Performance Management**

Your performance will be assessed against the performance plan agreed with your manager, in accordance with Inland Revenue's performance management system.

## **3. HOURS OF WORK & RELATED PROVISIONS**

### **3.1 Hours Of Work**

We are a professional organisation determined to have our customers' needs drive our business. Hours of work will be those necessary to achieve your individual performance plan and meet the business needs.

Where appropriate normal hours of work will be set by your manager. They may be recorded in your appointment letter.

### **3.2 Rest And Meal Breaks**

Your remuneration incorporates any additional payment for long hours or for work performed on weekends. There is no entitlement to overtime, or time off in lieu for working additional hours.

You are entitled to rest and meal breaks in accordance with the Employment Relations Act 2000, and are expected to ensure that you take these breaks.

## **4. LEAVE**

### **4.1 Public Holidays**

You are entitled to the following public holidays:

- Christmas Day
- Boxing Day
- New Year's Day
- 2 January
- Waitangi Day
- Good Friday
- Easter Monday
- ANZAC Day
- The birth of the reigning sovereign (observed on the first Monday in June)
- Labour Day (being the fourth Monday in October)
- The day of the anniversary of a province or the day locally observed as that day.

If you are required by Inland Revenue to work on a public holiday you will be paid at the rate of time and a half for hours actually worked. You will also be entitled to an alternative holiday if this would otherwise have been a working day for you.

### **4.2 Annual Closedown Period**

Inland Revenue has an annual closedown period between the Christmas and New Year holidays. Inland Revenue will provide at least one month's notice of the closedown period and the work locations affected each year. In the event that the Wellington Contact Centre is operating between the Christmas and New Year holidays and you are employed to work in the Wellington Contact Centre you agree that you will be available to work if required to do so by Inland Revenue.

Where you have a current annual leave entitlement at the commencement of the closedown period you will be required to use that annual leave for the closedown period.

Where you do not have a current leave entitlement which is sufficient to cover the closedown period, you agree to take annual leave in advance.

### **4.3 Annual Leave**

After each 12 month period of employment you are entitled to five weeks' annual leave to be taken in accordance with the Holidays Act 2003.

### **4.4 Timing**

It is important that you use this time to have a break from work. Ensuring you have a holiday means that you will be refreshed and revitalised and this is critical to maintaining a healthy lifestyle and workplace. You have an obligation to take your leave within the year after becoming entitled to it. Wherever possible, leave should be scheduled for times causing least disruption to work requirements.

If it is not possible for you to take all of your leave within 12 months of becoming entitled to it you should discuss the situation

in advance with your manager so that firm arrangements can be made for the leave to be taken.

#### **4.5 Payment**

You agree that payment for annual leave will be made in the pay that relates to the period during which the leave is taken (i.e. your usual pay day). Inland Revenue may approve your request for payment of annual leave prior to going on leave.

#### **4.6 Suspension of Accrual**

If you are absent on discretionary leave without pay for more than 35 consecutive days with the exception of unpaid sick leave and unpaid bereavement leave, you will only accrue annual leave for the first week of leave without pay.

#### **4.7 Sickness And Bereavement**

We recognise that from time to time you may need to be absent from work because:

- you are ill; or
- you need to care for your spouse, or a dependent child or parent when they are ill; or
- you have suffered a bereavement, or have an obligation due to the death of a family member, or perhaps some other person with whom you have a close association.

In such circumstances we support you taking reasonable time off. While we have not initially placed a limit on the amount of time you may have off on pay, we reserve the right to set a limit on a case by case basis (which will be not less than 11 days per year, or 15 days per year once you have completed two years of Recognised Continuous Service) and to cease paying you while you are absent from work. You will be consulted before any such decision is made.

You may be required to provide a medical certificate for any absence greater than three consecutive calendar days, whether or not these days would otherwise be working days for you.

If you fail to provide a medical certificate when required to do so, Inland Revenue will not be required to pay you for any sick leave in respect of which the proof is required until you comply with that requirement.

In special circumstances we may require you to undergo a medical examination at Inland Revenue's expense by a doctor nominated by Inland Revenue.

The sick leave provisions in this clause are not in addition to the sick leave provisions of the Holidays Act 2003.

#### **4.8 Parental Leave**

The provisions of the Parental Leave and Employment Protection Act 1987 shall apply

##### **4.8.1 Ex-Gratia Payment**

Where you are entitled to:

- extended leave of up to 12 months, and
- you return to work before or at the end of the leave, and
- you complete a further 6 months' continuous service;

EITHER:

You will be granted an ex-gratia payment equivalent to 30 working days' leave on pay at the rate applying when you went on extended leave.

OR

If you are absent on extended leave for fewer than 30 working days, you will receive a payment equivalent to the number of days you were absent.

In either situation, if both you and your partner are employed in the Public Service and are eligible for payment, then only one of you is entitled to the payment and you must choose which person will receive it.

Your ex-gratia payment is based on the percentage of employment worked prior to your absence on parental leave. If you worked less than full time for a short period due to your pregnancy, prior to your commencement of parental leave, payment will be based on the percentage rate of employment prior to the absence on parental leave, not on the short term change to normal hours.

#### **4.9 Discretionary Leave Without Pay**

Upon application, you may be granted discretionary leave without pay on whatever conditions you and Inland Revenue may agree at the time the leave is granted. Leave without pay of greater than fifteen months will break your service.

#### **4.10 Long Service Leave**

With effect from the commencement date of this Agreement, after each five year period of Recognised Continuous Service you will be entitled to one week of long service leave. If you have more than five years Recognised Continuous Service as at the commencement date of this Agreement, you will immediately be entitled to one entitlement of one week of long service leave, provided that you have not already received long service leave from Inland Revenue or any other organisation in respect of this period of service.

For the purposes of Recognised Continuous Service, the maximum prior service that can be credited for the purposes of long service leave as at the commencement date of this Agreement is five years. No service which has already been recognised by Inland Revenue or any other organisation for the purposes of long service leave shall be recognised a second time.

This Agreement does not affect any long service leave which you have become entitled to prior to the commencement date, but which you are yet to take.

Inland Revenue requires you to take your entitlement to long service leave in one period, and within five years of qualifying for the entitlement.

In the event that you resign, or notify your resignation, or Inland Revenue terminates your employment, you will forfeit any untaken long service leave which you may have been entitled to, and you will not receive payment for any unused long service leave upon terminating your employment.

Your qualifying period for earning long service leave shall cease on the day you retire. Any additional service which may accrue as a result of retiring leave will be excluded from being paid to you beyond your last day of duty.

#### **4.11 Recognised Continuous**

'Recognised Continuous Service' means service described in this clause and recognised for the purposes of specific leave

## Service

entitlements. It applies only to those clauses which specifically refer to Recognised Continuous Service.

Effective from the commencement date of this Agreement, Inland Revenue will recognise, as Recognised Continuous Service, service with Inland Revenue, other Departments of the Public Service (as specified in the First Schedule of the State Sector Act 1988), the Parliamentary Service, and with any Crown Entity (excluding District Health Boards and the Education Service as defined in the State Sector Act 1988 (e.g. School Boards of Trustees and Tertiary Education Institutions)), provided that:

- there has been no break in service of greater than 15 months, or 4 years where the break was for the purposes of childcare;
- the previous service did not end with you being paid redundancy compensation, any retirement payment, or any other form of severance payment.

For the purposes of recognising service, you will be required to provide evidence of prior service. Inland Revenue will maintain a record of this prior service for the purposes of calculating leave entitlements.

Where your continuous service has been recognised by Inland Revenue prior to the commencement date of this Agreement, this service will also amount to Recognised Continuous Service.

This clause applies only to permanent employees, and has no application to fixed term or casual employees.

## 5. HEALTH AND SAFETY

### 5.1 Inland Revenue's Obligations

Inland Revenue is committed to the health and safety of all our employees. Inland Revenue recognises that the health of our employees is an important ingredient in a productive and efficient workplace and that promotion of good health and safety practices is preferable to dealing with illness and accidents.

Inland Revenue's main obligation is to provide and maintain a safe work environment. To this end Inland Revenue will:

- Involve staff in the ongoing development of health and safety systems and emergency procedures.
- Provide necessary safety equipment.
- Maintain a work environment free of unwelcome behaviour and provide a mechanism for reporting sexual harassment, ensuring a fair investigation and avoiding reprisals against the complainant.

### 5.2 Your Obligations

You also have a number of obligations with respect to health and safety, your own as well as others in the workplace. You are required to:

- Take reasonable care for your own health and safety and that of others who may be affected by what you do or do not do.
- Co-operate with Inland Revenue on health and safety matters.
- Be aware of the emergency procedures of the area in which you are working.
- Immediately report any accident, hazard or sub-standard conditions to the appropriate person.
- Comply with the requirements of Inland Revenue's Accident insurers re work related and non-work related personal injuries.

- Disclose any secondary employment details when requested (and any subsequent changes to those details) in accordance with the requirements of Inland Revenue's insurers. Actively participate in the development of appropriate health and safety systems and procedures.

## **6. ENDING EMPLOYMENT**

### **6.1 Termination Of Employment**

You or Inland Revenue may terminate this agreement by giving not less than one month's written notice or one month's total remuneration in lieu of notice may be paid or forfeited as the case may be.

In the event of serious misconduct, material breach or any continued non-observance or non-performance of any of the terms and conditions of your employment, Inland Revenue may terminate your employment without notice.

Inland Revenue would only summarily dismiss you after giving you an opportunity to provide an explanation of the matter of complaint.

In the event that you:

- commit any act of bankruptcy, become insolvent or compound with or attempt to compound with creditors; or
- commit any offence involving dishonesty or any indictable offence; or
- conduct yourself in a manner likely to bring you or Inland Revenue into disrepute,

Inland Revenue may terminate your employment by giving whatever notice that Inland Revenue deems appropriate.

Inland Revenue would only dismiss you on notice after giving you an opportunity to provide an explanation of the matter of complaint.

### **6.2 Suspension On Pay**

Inland Revenue may suspend you on pay where an investigation into alleged misconduct is about to commence or has commenced. Suspension on pay is only considered when there is alleged serious misconduct and dismissal is an option likely to be considered, or there are sound reasons to make suspension necessary. This includes where your safety or the safety of other staff or property is likely to be jeopardised if you remain in the workplace.

### **6.3 Termination For Incapacity**

If, as a result of mental or physical illness, you are incapable of the proper performance of your employment duties and obligations, Inland Revenue may terminate your employment. In that event Inland Revenue would give you such notice as Inland Revenue deems appropriate in your circumstances.

Before any decision is made to terminate for incapacity, you may be required to undergo a medical examination by a registered medical practitioner nominated by Inland Revenue at Inland Revenue's expense in accordance with the Medical Assessment clause of this Agreement.

If you refuse to attend a medical examination or assessment in accordance with this agreement, Inland Revenue reserves the right to make a decision regarding your fitness to perform your employment duties and obligations under this agreement, on the



## **6.4 Medical Assessment**

information it has available.

You agree that Inland Revenue may require you to undergo a medical or psychiatric examination or assessment by a registered medical practitioner nominated by Inland Revenue, at Inland Revenue's expense:

- if you have been absent from work due to a condition, illness or injury; or
- in the course of assessing whether you are capable of performing your employment duties and obligations in terms of this agreement; or
- if Inland Revenue considers, in its opinion, that your physical and/or mental health may be affecting the your ability to perform the duties under this agreement safely and effectively.

You agree that a report of any such medical examination or assessment will be made available to Inland Revenue.

As far as practicable Inland Revenue will take your wishes regarding a preferred medical practitioner into account.

## **7. MANAGEMENT OF CHANGE**

### **7.1 Introduction**

The primary focus of the management of change provisions is to retain employees in jobs, wherever practicable, when effecting organisational change. This will be achieved through the maximum utilisation of the skills and experience of current employees while maintaining Inland Revenue's ability to achieve its required outcomes.

In the event that Inland Revenue has made a decision about changes to its structure that affects employees the following processes will apply:

### **7.2 Confirmation**

You will be confirmed to a position in Inland Revenue, where:

- the requirements of the position are the same or similar;
- the total remuneration for the position is the same;
- the terms and conditions of employment are no less favourable;
- the location of the position is within a reasonable travelling distance;
- the number of available positions matches the number of candidates for confirmation.

Where there are more candidates for confirmation than available positions, Inland Revenue will operate a fair selection process.

Should you be unsuccessful in the selection process for confirmation, other options will be considered in accordance with this clause.

If you decline confirmation, you will not be entitled to redundancy compensation.

### **7.3 Offer Of A Suitable Alternative Position**

You may be offered a suitable alternative position. A "suitable alternative position" is a position:

- which involves duties and responsibilities that are not unreasonable when taking into account your knowledge, skills, and experience; and

- the location of the new position is within a reasonable travelling distance.

If you decline an offer of a suitable alternative position where your total remuneration is the same or greater, you will not be eligible for redundancy compensation.

You may be offered a suitable alternative position which involves a reduction in your total remuneration. If you decline such a position you will remain eligible for redundancy compensation. If you accept such a position you will not be eligible for redundancy compensation, but will receive a lump sum payment equivalent to two years worth of the difference in your total remuneration in your current position and in the new position. ("equalisation payment")

#### **7.4 Offer Of An Alternative Position**

Where you are offered an alternative position on terms which do not meet the criteria set out in clause 7.3 above, you will be entitled to choose whether to accept it on the terms offered or reject it and remain entitled to redundancy compensation. You will not be entitled to redundancy compensation if you accept any offer of an alternative position, unless otherwise explicitly agreed.

#### **7.5 Redundancy and Compensation**

Where you have:

- not been confirmed
- not been offered a suitable alternative position where your total remuneration is the same or greater
- been offered and not accepted a suitable alternative position where there is a reduction in your total remuneration and an equalisation payment paid
- been offered and not accepted an alternative position

and where no other options have been identified your employment will be terminated and you will be entitled to the following:

- not less than one month's notice of termination of employment or payment in lieu of notice; and
- redundancy compensation of 25% of total remuneration, except where you have more than 5 years continuous service, in which case you will be paid an additional 4% of total remuneration for each complete year after the 5th. The maximum redundancy compensation payable will be 45 weeks pay.

There will be no entitlement to any other compensation relating to the termination of your employment for reason of redundancy.

A redundancy shall not arise where a fixed term employment agreement ends in accordance with the fixed term, or where a casual employee is not provided with any further employment.

#### **7.6 Sale or Transfer**

If as a result of restructuring, a decision is made to contract out, sell or transfer the whole or any part of Inland Revenue's operations, Inland Revenue will negotiate with the prospective employer with the objective of arranging for you to be offered employment by the new employer on no less favourable conditions of employment overall. As soon as possible after the commercial arrangements are finalised, you will be provided with information about the new employer, whether you will be offered employment by the new employer, the basis of any such offer, the timetable for transition, and the process for consultation with you.

You agree that Inland Revenue may supply to the potential new employer, employment related information about you as an employee of Inland Revenue for the purpose of these provisions.

You may choose not to accept an offer of employment made by the new employer.

No redundancy will arise, and no redundancy compensation will be payable by reason of the sale or transfer of the whole or any part of Inland Revenue's operations, where the person or entity acquiring the whole or any part of the operation offers you employment in the same or a similar capacity, or in a capacity you are willing to accept, on no less favourable conditions of employment overall, and agrees to treat your service as continuous.

## **8. PROFESSIONAL REQUIREMENTS**

### **8.1 Security**

Section 6 of the Tax Administration Act 1994 places a responsibility on all Inland Revenue employees to "use their best endeavours to protect the integrity of the tax system."

Security of information, equipment and premises is a fundamental part of the way we undertake our business. You must ensure that you acquaint yourself and comply with our policies in this respect.

### **8.2 Conflict Of Interest**

You must ensure that you are not involved (directly or indirectly):

- in any other employment or business which may affect or compromise your ability to perform your duties; or
- in an activity in conflict with the interests of the Inland Revenue Department; or
- in an activity which may damage the image or reputation of Inland Revenue.

You must not accept payment or other benefit in money or kind from any person or company as an inducement or reward for any action in connection with any matter or business transacted by or on behalf of the Inland Revenue Department.

If you are in any doubt you should seek prior clarification from your Manager.

### **8.3 Confidentiality**

In accordance with Section 81 of the Tax Administration Act 1994, you are required to sign and observe a Declaration of Fidelity and Secrecy.

We will comply with the provisions of the Privacy Act 1993.

You are responsible for the security of any confidential and commercially sensitive information under your control or to which you have access. Information concerning customers, other employees of Inland Revenue and anything to do with Inland Revenue's business, must be treated with the utmost confidentiality.

The requirement for confidentiality continues after employment with Inland Revenue ceases and until such time as the material in question comes into the public domain through some other legitimate way.

#### **8.4 Copyright, Intellectual Property And Inventions**

Such is the importance of confidentiality of information that any breach may provide grounds for dismissal and prosecution and any breach of this responsibility after you have left Inland Revenue's employ may similarly provide grounds for prosecution.

All work, product, and all inventions, improvement, discoveries, processes, programmes and/or systems developed by you, or to which you become aware of, in the performance of your duties while employed by Inland Revenue shall be fully disclosed to, and become the sole and absolute property of the Crown.

Upon request, you shall execute, acknowledge and deliver such assignments, certificates and other documents that Inland Revenue may consider necessary or appropriate to vest all rights, titles and interests therein in the Crown.

### **9. RESOLVING EMPLOYMENT RELATIONSHIP PROBLEMS**

#### **9.1 Personal Grievances And Disputes**

We will be committed to resolving any employment relationship problem, including a dispute or personal grievance, as close as possible to the point of origin. You have the right to be represented at any stage in the process of raising and seeking resolution of an employment relationship problem.

You will seek to resolve any employment relationship problem with your manager. If this is not appropriate or does not resolve the matter then you should raise it with your manager's manager. You will follow any applicable internal procedures prior to seeking mediation assistance in accordance with the Employment Relations Act 2000.

Section 114 of the Employment Relations Act requires you to raise a personal grievance with Inland Revenue within the period of 90 days beginning with the date on which the action alleged to amount to a personal grievance occurred or came to your notice whichever is the later, unless Inland Revenue consents in writing to the personal grievance being raised after the expiration of that period.

Where you are unable to resolve any grievance or dispute with your manager or through internal procedures, you may apply to the Department of Labour Mediation Service for mediation assistance in accordance with section 146 of the Employment Relations Act. The mediation service is confidential and aims to assist in resolving the grievance or dispute.

If agreement cannot be reached with the assistance of the Mediation Service you may submit the grievance or dispute to the Employment Relations Authority for a decision. The decision of the Authority is final and binding unless it is appealed to the Employment Court.