

Why has Novopay slashed the pay of some support staff by almost 4 percent?

What's going on?

Novopay, which is now back under Ministry of Education control, has unilaterally decided to pay support staff less on each of the next 27 fortnightly pay dates (54 weeks) from 3 February 2016 until 1 February 2017 rather than their regular pay over 26 fortnights (52 weeks). This reduces the take-home pay of already low-paid women by 3.7% in 2016, and for many people an already-tight budget is now impossible to live on.

Why would Novopay do that?

As explained on their website: "A normal salary year is 26 pay periods. Every 11 years there are 27 pay periods and this is happening in 2016. This is because 26 fortnightly pay periods only cover 364 days in a year, not 365 (or 366 in Leap Years). Those extra one or two days add up to create an additional pay period every 11 years. Employees will have their pay calculated over 27 pay periods, which does mean for those who were annualised last year, will notice that their pay per fortnight will be slightly less this year than last."

We believe this is unacceptable, unfair and illegal. It is not correct that their pay is only slightly less. In many cases it's around \$50 per pay and this is a huge amount for staff already struggling on low pay.

So, it will all work out in the end, then?

Well, no. The simple answer is that annualised support staff didn't receive more pay than they were entitled to last year and nor will they next year. The collective agreement is clear – Support Staff should receive their annual pay in equal fortnightly payments over a 12-month (52-week) period, not over 54 weeks.

What is annualisation, anyway?

Many support staff are only paid for the 40 weeks of the year they work. Annualisation spreads the projected income over an entire year of fortnightly payments, which allows families to budget across the year.

What happens now?

Negotiations with Novopay have been unsuccessful, so NZEI's case is being heard by the Employment Relations Authority on 7 April. The Secretary for Education, Peter Hughes, is named as respondent.

We are seeking a determination that Novopay's approach to the 2016 annualisation period is in breach of the collective agreement, and that any annualisation agreement containing them is an unlawful agreement inconsistent with the collective agreement.

How many support staff does this affect?

There are about 6000 support staff members who have their pay annualised, or 27 percent of the total support staff workforce. Workers have been telling us about reduced grocery budgets, financial stress and not being able to buy clothes for their children. \$20-\$40 less a fortnight is a big deal for people on tight budgets. They are angry and upset with Novopay and the ministry. This sort of treatment is demotivating and makes people feel under-valued.

Why don't they just go back to being paid fortnightly during term time?

The vast majority of support staff are women and many are the sole earners for their families. They need consistency of pay to be able balance the budget. Annualisation is important for those who have WINZ top ups. Those paid on Term Time Only have real problems because with WINZ their earnings have to be regular to manage 'top ups' without complications.

If the Employment Authority rules in your favour, who has to pay the increased amount?

Support Staff are paid from schools' general operating grant. If there is any additional cost in covering the wages bill, it should be met by the ministry, which is responsible for Novopay and ultimately responsible for this unjust debacle.

What exactly is the involvement of Novopay given that Support Staff are paid by schools through their operations grant?

Novopay doesn't pay support staff directly, but it administers the payroll system.

Do principals support this case?

Principals support NZEI taking the case, while understandably being anxious about tight school budgets. They can see the unfairness of the situation.

Has this happened before?

No, as annualisation of pay began in 2006.