

Agricultural Industry - Minimum Wage Employment Agreements

Farm Employee Working examples:

Total remuneration package

	Per week	Per annum
Base Salary	\$690.00	\$35,880.00
Accommodation	\$120.00	\$6,240.00
KiwiSaver Employer 3% (base salary only) *	\$20.70	\$1,076.40
	\$830.70	\$43,196.40

* Accommodation exempt from KiwiSaver calculations (tag employee for year with IRD)

Relevant Daily Pay (RDP) = total gross earnings divided by number of days worked in a week

Base salary	\$690.00	
Accommodation	\$120.00	
ROSTER - 6 days on / 1 day off	\$810.00	RDP = \$810 divided by 6 = \$135.00 per day

Minimum Wage Act calculations

Remove KiwiSaver Employer contribution = \$830.70 less \$20.70 = \$810.00

\$810.00 divided by the minimum wage of \$14.25 = 56.84 hours maximum per week

- EITHER**
1. Cap hours at 56.75 per week
 2. Record hours and pay extra for any hours over the 56.75 in the week

Weekly payslip example - based on tax code M

Base Salary	\$690.00	
Accommodation	\$120.00	
Total gross earnings	\$810.00	
Less PAYE (tax code M)	\$134.64	
Less Accommodation deduction	\$120.00	
Less KiwiSaver Employer 3% deduction	\$20.70	
NET PAY TO EMPLOYEE WEEKLY	\$534.66	
KiwiSaver Employer 3% Contribution (less ESCT)		\$17.20
ESCT 17.5%		\$3.50

To work out the ESCT - take the 3% figure of \$20.70 - remove the cents = \$20 and multiply this by their ESCT rate 17.5% = \$3.50

To work out the NET employer contribution deduct the ESCT from the 3% figure
\$20.70 less \$3.50 = net \$17.20