

In association with

(<http://www.mbie.govt.nz>)

Minimum wage and fair pay

The minimum wage applies to all paid employees aged 16 and older, although there are different rates if your employee is 16 or 17 and is new to the workforce or if they are completing training.

As an employer, you'll need to keep up to date with the latest minimum pay rates and pay your employees at least the current minimum rate. This rate stands even if your employee only works a few hours for you each week or has little responsibility at work.

There are three rates:

- Adult minimum wage
- Starting-out wage
- Training minimum wage

[Pay and wages\(external link\) \(https://www.employment.govt.nz/hours-and-wages/pay/\)](https://www.employment.govt.nz/hours-and-wages/pay/) — Employment New Zealand

Minimum wage increased on 1 April 2024.

The increases are:

- adult minimum wage has gone up from \$22.70 to \$23.15 per hour
- starting-out and training minimum wage has gone up from \$18.16 to \$18.52 per hour
- all rates are before tax and any lawful deductions, for example, PAYE tax, student loan repayment, child support.

Current minimum wage rates

Adult minimum wage

The adult minimum wage applies to all employees aged 16 years and over who aren't starting-out workers or trainees, and all employees who are involved in supervising or training other employees.

This is the minimum wage most widely used by Kiwi businesses of all shapes and sizes.

Starting-out wage

The starting-out wage applies solely to workers aged between 16 and 19 and who are entering the workforce for the first time.

Starting-out workers are:

- Aged 16 to 17 years and have worked for you for less than six months.
- Aged 18 to 19 years and have been paid a specified social security benefit for six months or more, and who haven't yet completed six months continuous employment with any employer since they started being paid a benefit. After six months continuous employment with a single employer, they must be paid at least the adult minimum wage rate.
- Aged 16 to 19 years and required by their employment agreement to undertake industry training for at least 40 credits a year to become qualified.

Training minimum wage

The training minimum wage applies to employees aged 20 years or over who are completing recognised industry training involving at least 60 credits in order to become qualified.

Employing school-age workers

There is no minimum wage for employees who under 16 years of age. If you employ under-16s, you must not let their work get in the way of attending school.

Exemptions

A small number of people hold an exemption from the minimum wage, eg prison inmates and some apprentices. These links give full details:

[Minimum wage rates\(external link\) \(https://employment.govt.nz/hours-and-wages/pay/minimum-wage/minimum-wage-rates/\)](https://employment.govt.nz/hours-and-wages/pay/minimum-wage/minimum-wage-rates/) — Employment New Zealand

[Minimum wage exemptions for people with disabilities\(external link\) \(https://employment.govt.nz/hours-and-wages/pay/minimum-wage/minimum-wage-exemptions/\)](https://employment.govt.nz/hours-and-wages/pay/minimum-wage/minimum-wage-exemptions/) — Employment New Zealand

[Agricultural industry\(external link\) \(https://employment.govt.nz/hours-and-wages/pay/minimum-wage/agricultural-industry/\)](https://employment.govt.nz/hours-and-wages/pay/minimum-wage/agricultural-industry/) — Employment New Zealand

If you're unsure how much you should be paying your employees, or think you might be paying too little, contact Employment New Zealand for advice.

[Email us a query\(external link\) \(https://www.employment.govt.nz/about/email-us/\)](https://www.employment.govt.nz/about/email-us/) — Employment New Zealand

Paying fairly

In addition to paying the legal minimum wage or higher, you'll need to ensure your pay policies and practices are as fair as possible.

It's important to remember that waged employees need to be paid for actual hours worked. This means paying employees at least the minimum hourly wage for any extra time worked.

Paying employees fairly also means:

- Women and men must receive the same pay rates for doing the same or substantially similar work
- You cannot discriminate on the basis of an employee's colour, race, ethnic or national origins, gender (including pregnancy or childbirth status), marital or family status, age, disability, religious or ethical belief, political opinion, sexual orientation or union activity.

Case study

Fair pay for a longer day

Jill owns a busy urban florist, employing two full-time staff. Jill's store closes at 6pm each evening, but her staff close the shop, count the money in the cash register, and prepare the shop for the next day.

This means they usually leave about 6:20pm when the tasks are completed.

Jill pays her staff for an extra 20 minutes each day for the time that is spent closing up because it is over their standard eight hours work a day.

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[You must deduct certain things from staff pay, like PAYE. Other deductions are voluntary.](#)

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