

# DRAFT FOR CONSULTATION

## **Employment Relations (Removing Automatic Deduction of Union Fees) Amendment Bill**

Member's Bill

### **Explanatory note**

#### **General policy statement**

The obligation of employers to deduct union fees from the wages or salaries of their employees, if the employee is a union member, and to pass on these fees to the relevant union is a burdensome responsibility placed on employers. The membership of an employee in a union is an agreement between the union and the employee. By alleviating employers from the duty of collecting union fees on behalf of unions, unless explicitly agreed by employers to do so, the administrative burden on employers will be reduced. The productivity of businesses plays a crucial role in promoting economic growth. Imposing unnecessary administrative burdens on employers hampers their ability to allocate more time and resources to their businesses, thereby hindering economic growth.

#### **Clause by clause analysis**

*Clause 1* is the Title clause.

*Clause 2* is the commencement clause and provides for the Bill to come into force on the day after the date on which it receives the Royal assent.

*Clause 3* provides that this Bill amends the Employment Relations Act 2000.

*Clauses 4 and 5* repeal sections 55 and 65A, so that employers are not required to deduct union fees from employees' salary or wages.



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### **The Parliament of New Zealand enacts as follows:**

#### **1 Title**

This Act is the Employment Relations (Removing Automatic Deduction of Union Fees) Amendment Act **2024**.

#### **2 Commencement**

This Act comes into force on the day after the date on which it receives the Royal assent.

#### **3 Principal Act**

This Act amends the Employment Relations Act 2000.

#### **4 Section 55 repealed (Deduction of union fees)**

Repeal section 55.

#### **5 Section 65A repealed (Deduction of union fees)**

Repeal section 65A.