

How INZ calculate pay rates for the Accredited Employer Work Visa



At the job check stage, INZ look at the proposed employment agreement and the information given in the application form to calculate the employee's hourly rate.

Calculating pay rates

To determine the pay rate, INZ calculate how much the employee will be paid an hour. At the Job Check this will be based on the proposed employment agreement and the information provided in the application form.

For employment to be assessed as meeting a minimum pay threshold, the average guaranteed pay for each hour of work within a pay period, including any paid leave, must be at or above that threshold.

Some employers may need to change employment agreements to provide these guarantees.

- [Median wage comparison calculator](#)

The median wage is updated every year.

- [Wage rate requirements for visas](#)

Hourly rate

If someone is paid an hourly rate, for example NZD \$29.66 an hour, INZ use that to calculate their pay rate.

Wage for standard hours and a different rate for overtime hours

If someone is paid a wage for standard hours and a different rate for any extra hours they work, such as overtime or weekend hours, INZ use the lowest hourly rate to calculate their pay rate. If the extra hours and pay are guaranteed they can be averaged within a pay period.

EXAMPLE

Cynthia is paid NZD \$29.66 an hour for 40 hours of work each week, and NZD \$37.50 an hour for any additional hours she works, her pay rate will be calculated as NZD \$29.66 an hour. This hourly rate would increase if Cynthia was guaranteed to be paid for at least 5 overtime hours each week.

Salary

Salary for a set number of hours

If someone is paid a salary for a set number of hours each week, INZ divide their salary by the number of hours they work to calculate their pay rate.

EXAMPLE

They are paid NZD \$61,692.80 each year for 40 hours of work a week, the calculation is: $\$61,692.80 \div 52 \text{ weeks} \div 40 \text{ hours each week} = \29.66 an hour .

Salary for a range of hours

If someone is paid a salary for a range of hours each week, INZ divide their salary by the maximum number of hours they could work to calculate their pay rate.

EXAMPLE

They are paid NZD \$69,404.40 a year for 40 to 45 hours of work a week, the calculation is: $\$69,404.40 \div 52 \text{ weeks} \div 45 \text{ hours each week} = \29.66 an hour .

Salary for hours changing each week

If someone is paid a salary and their hours change each week, INZ use the lowest hourly rate to calculate their pay rate.

EXAMPLE

Sam is paid NZD \$99,840 a year, and usually works 52 hours each week, except for 8 weeks when he works 64 hours each week, the calculation to find his lowest hourly rate is: $\text{NZD } \$99,840 \div 52 \text{ weeks} \div 64 \text{ hours each week} = \text{NZD } \30 an hour .

INZ may ask for evidence of the range of hours someone will work.

Salary with hourly rate for overtime

If someone is paid a salary with an hourly rate for additional work like overtime, INZ check what the hourly rate would be for their salary, what the hourly rate is for overtime, and use the lowest hourly rate (averaged within a pay period) to calculate their pay rate.

EXAMPLE

John is paid NZD \$65,250 each year for 40 hours of work a week, and NZD \$37.50 per hour for overtime, then the calculation to find his lowest hourly rate is: $\$65,250 \div 52 \text{ weeks} \div 40 \text{ hours each week} = \31.37 an hour .

Including deductions in pay rate calculations

When INZ calculate someone's pay rate, they include reasonable, agreed deductions, for example, for accommodation, goods and services.

The pay rate calculation does not include:

- allowances, such as tool or uniform allowances, or
- bonuses, which are dependent on performance.

If the employer provides accommodation as part of the employment package, and if the deduction is reasonable and agreed in writing, the cost of the accommodation is included when INZ calculate the pay rate.

Help for employers

The employer line is open between 8am and 6pm, Monday to Friday. Call toll-free from NZ landlines only: [0508 967 569](tel:0508967569)

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