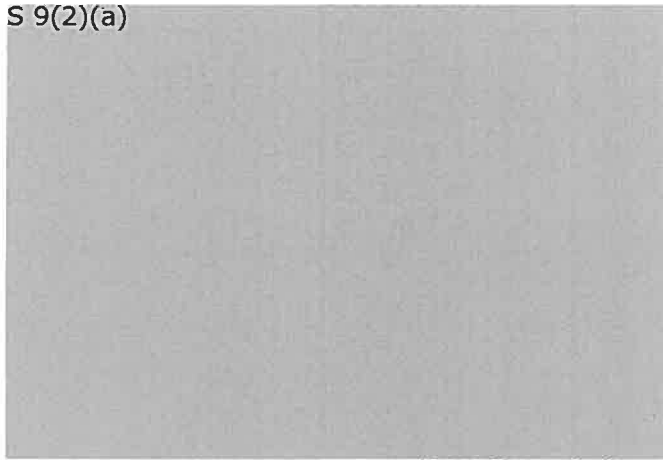




Tick the box that is right for you.

I am:  
S 9(2)(a)



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OFFICIAL INFORMATION ACT

## Sending your answers to us



When you have finished send your  
answers to us at this address:

C/- Emma Churchill

PO Box 406

Rangiora 7440



We need to get your answers by  
**Sunday 14 April 2019.**

## What happens next?



We will look at the answers that everyone sends in.



Your answers will help us decide if **wage supplements** are a good idea.



If we decide to start paying wage **supplements** your answers will help us decide how they will work

The Office for Disability Issues will  
have updates about this work on this  
website:

<http://www.odi.govt.nz.html>



If you want more information about  
the ideas in this book you can get this  
from:

[https://www.msd.govt.nz/about-msd-and-our-  
work/newsroom/wage-supplement-consultation-  
announced.html](https://www.msd.govt.nz/about-msd-and-our-work/newsroom/wage-supplement-consultation-announced.html)



The information on these websites is  
**not** in Easy Read.



**This information has been translated into Easy Read by the  
Make It Easy service of  
People First New Zealand Inc. Ngā Tāngata Tuatahi.**



**The ideas in this document are not the ideas of  
People First New Zealand Inc. Ngā Tāngata Tuatahi.**



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OFFICIAL INFORMATION ACT

## Questions: What do you think about the **Minimum Wage Exemption**?



Tick the box that is right for you.



Do you think we need to change the Minimum Wage Exemption?



Yes



No

If you chose **yes** please answer the question on the next page.



Tick everything you agree with.



What do you think is bad about how the **Minimum Wage Exemption** works now?



The **Minimum Wage Exemption** treats Disabled people differently to people who are not disabled.



The **Minimum Wage Exemption** does not follow the rights in the Disability Convention.



**Wage assessments** mostly look at what workers cannot do.

They do not look at what workers are good at.



**Wage assessments** may not be fair.



I think we should get rid of **wage**

**assessments.**

Please tell us more things that are bad about how **Minimum Wage Exemptions** work.



Thing 1: \_\_\_\_\_

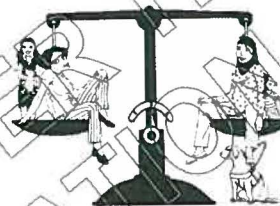


Thing 2: \_\_\_\_\_



Thing 3: \_\_\_\_\_

**Why we think a wage supplement is a good idea**



We think that a **wage supplement** is good way to:

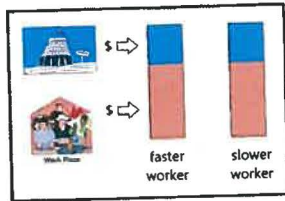
- make sure Disabled people are treated fairly
- fix the problems with the **Minimum Wage Exemption**
- make sure that people who have a **Minimum Wage Exemption** can keep their jobs



Work Place

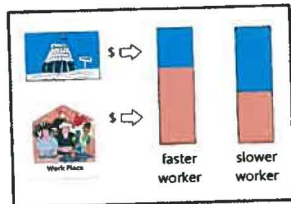


### Idea Number 1



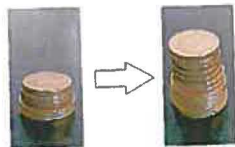
If we pay the same wage supplement for everyone workplaces might only give work to people who can get the most work done.

### Idea Number 2

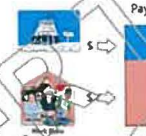


If we pay a different wage supplement for different workers:

- there will be a new way of working out how much people are paid
- some workplaces will have to spend more money on paying workers than they do now.



## Questions: What do you think about wage supplements



What do you think are the best things about wage supplements?

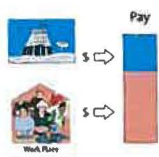
Good thing 1: ~~EVERYONE GET THE SAME WAGE~~  
GET THE SAME WAGE AS EVERY-ONE ELSE



Good thing 2: \_\_\_\_\_



Good thing 3: \_\_\_\_\_



What do you think are the biggest problems we might have with **wage supplements**?



Problem 1: WILL NOT BE FOR EVERYONE



Problem 2: \_\_\_\_\_



Problem 3: \_\_\_\_\_



Tick the **box** you think is best.



☒ Keep **Minimum Wage Exemptions** and things stay the way they are now.



☒ Get rid of Minimum Wage Exemptions and have **wage supplements**.



☐ I think we should try something different.

Write your idea for something different here:

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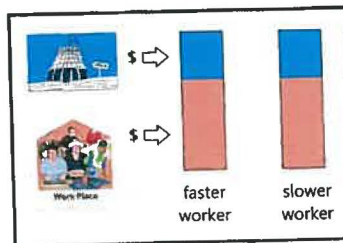


Tick the box you think is best.



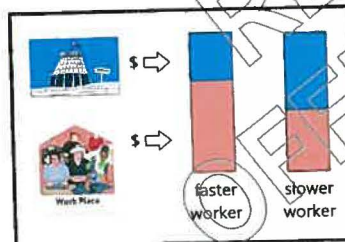
Workplaces get the **same amount** of money for every worker that the government agrees to support.

### Idea Number 1



Workplaces get **more** money from the government to help pay workers who are **less** able to work.

### Idea Number 2



If you have anything else to tell us  
about the ideas in this book please write  
it here:

ER  
MATION P



## Your answers may be shared with the public



If you do not say you want to keep your form private your answers may be shared with the public.



If you want to keep some of your form private you need to:

- highlight the parts you want to keep private
- tick 1 of the 3 boxes on the next page.

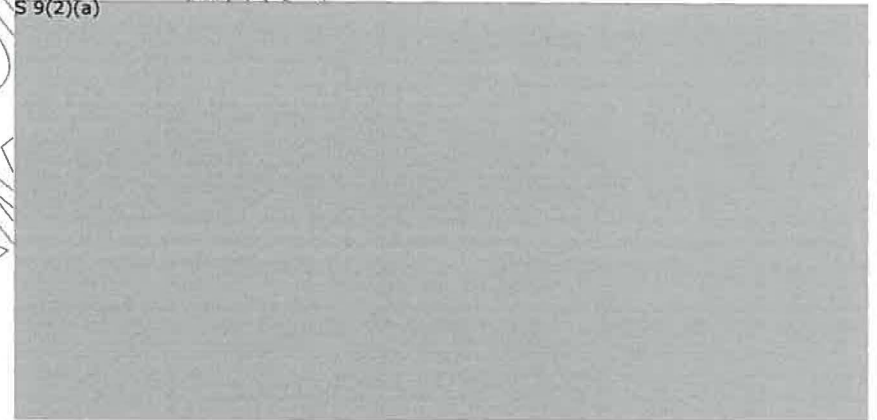


## Questions: Do you want to keep some of your answers private



Tick the box that is right for you.

S 9(2)(a)





## Questions: About you

It will help us understand your answers if you tell us a bit about yourself.

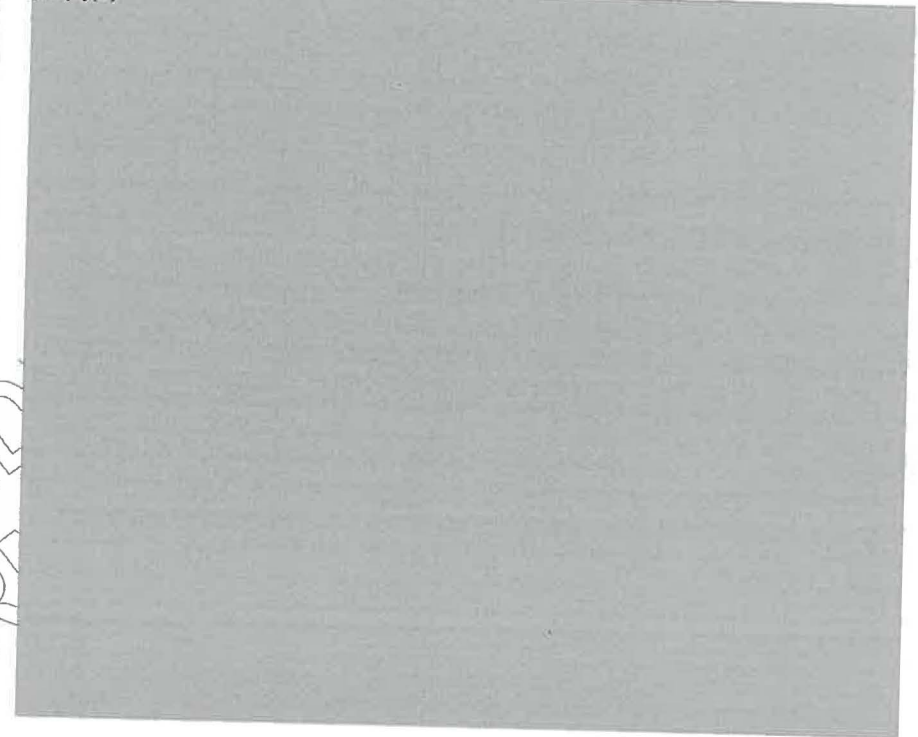
**You do not have to answer these questions.**



Tick the boxes that are right for you.

The questions start on the next page

S 9(2)(a)



S 9(2)(a)

45

S 9(2)(a)

44

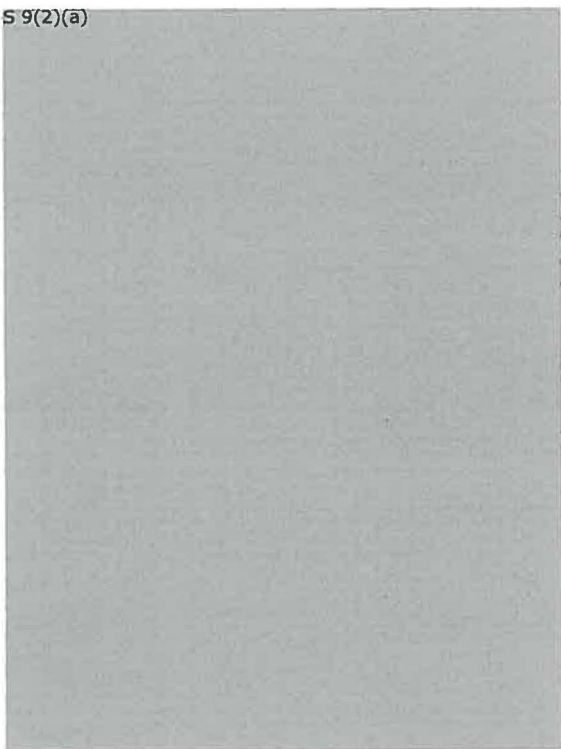


Tick the boxes that are right for you.

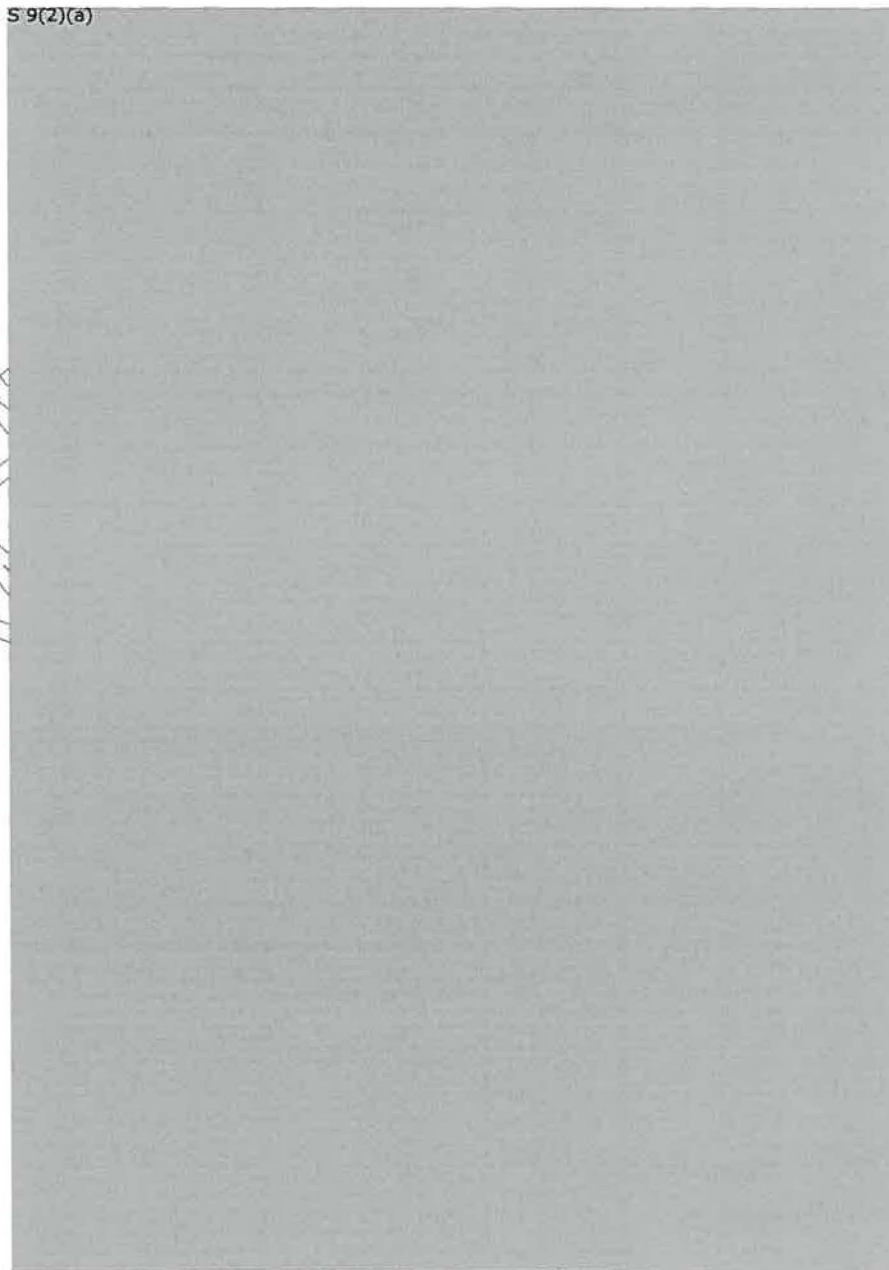


You can tick more than 1 box.

S 9(2)(a)



S 9(2)(a)



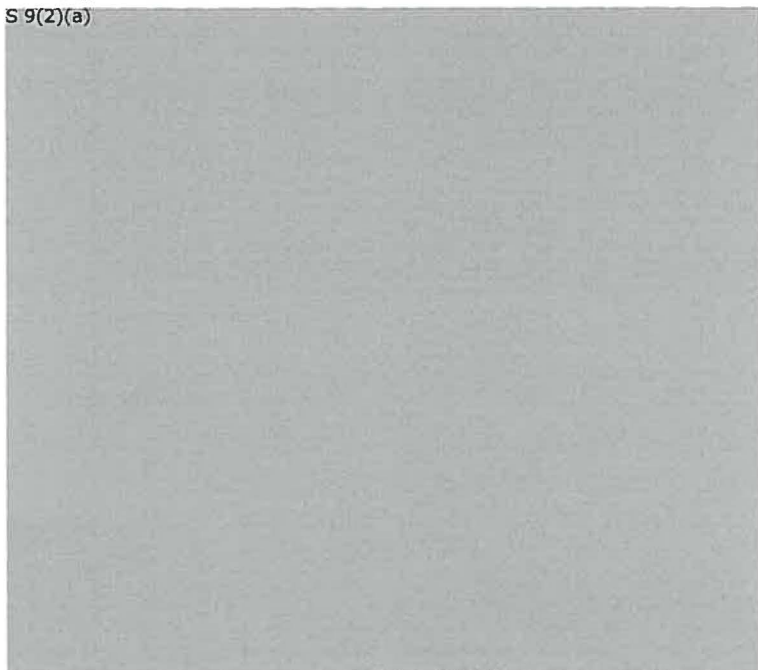


Tick the box that is right for you.



I am:

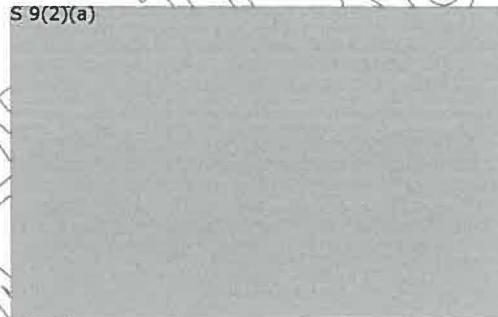
S 9(2)(a)



Tick the box that is right for you.

I am:

S 9(2)(a)





## Questions: What do you think about the **Minimum Wage Exemption**?



Tick the box that is right for you.



Do you think we need to change the Minimum Wage Exemption?



Yes



No

If you chose **yes** please answer the question on the next page.



Tick everything you agree with.



What do you think is bad about how the **Minimum Wage Exemption** works now?



The **Minimum Wage Exemption** treats Disabled people differently to people who are not disabled.



The **Minimum Wage Exemption** does not follow the rights in the Disability Convention.



**Wage assessments** mostly look at what workers cannot do.

They do not look at what workers are good at.



**Wage assessments** may not be fair.



I think we should get rid of **wage**

assessments.

Please tell us more things that are bad about how **Minimum Wage Exemptions** work.



Thing 1: \_\_\_\_\_

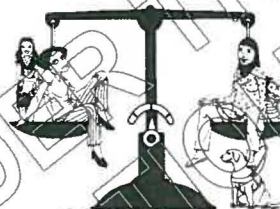


Thing 2: \_\_\_\_\_



Thing 3: \_\_\_\_\_

## Why we think a **wage supplement** is a good idea



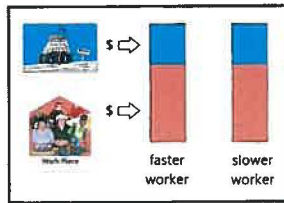
We think that a **wage supplement** is a good way to:

- make sure Disabled people are treated fairly
- fix the problems with the **Minimum Wage Exemption**
- make sure that people who have a **Minimum Wage Exemption** can keep their jobs



Work Place

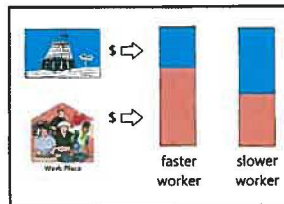
### Idea Number 1



**If we pay the same wage supplement for everyone**

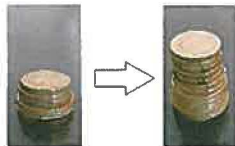
workplaces might only give work to people who can get the most work done.

### Idea Number 2

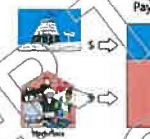


**If we pay a different wage supplement for different workers:**

- there will be a new way of working out how much people are paid
- some workplaces will have to spend more money on paying workers than they do now.



## Questions: What do you think about wage supplements



What do you think are the best things about wage supplements?



Good thing 1: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Good thing 2: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

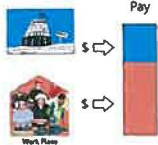


Good thing 3: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_





What do you think are the biggest problems we might have with **wage supplements**?



Problem 1: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Problem 2: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Problem 3: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Tick the **box** you think is best.



☒ Keep **Minimum Wage Exemptions** and things stay the way they are now.



☐ Get rid of Minimum Wage Exemptions and have **wage supplements**.

☐ I think we should try something different.



Write your idea for something different here:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



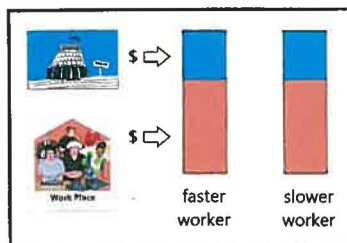


Tick the box you think is best.

☐

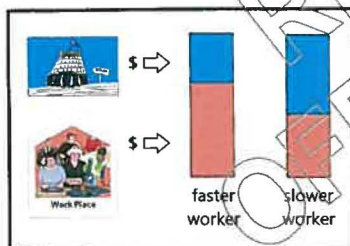
Workplaces get the **same amount** of money for every worker that the government agrees to support.

Idea Number 1



Workplaces get **more** money from the government to help pay workers who are **less** able to work.

Idea Number 2



If you have anything else to tell us about the ideas in this book please write it here:

S 9(2)(a)

asked me to write what

S 9(2)(a)

S 9(2)(a)

feels it is aware of changes coming up but does not understand them all.

S 9(2)(a)

has said

S 9(2)(a)

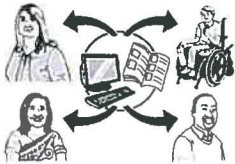
is happy with

S 9(2)(a)

job and doesn't want to lose it

support staff Pm.

## Your answers may be shared with the public



If you do not say you want to keep your form private your answers may be shared with the public.



If you want to keep some of your form private you need to:

- **highlight** the parts you want to keep private
- tick 1 of the 3 boxes on the next page.



## Questions: Do you want to keep some of your answers private



Tick the box that is right for you.



I do not want the parts I have **highlighted** to be used in the report at all.



You can use the **highlighted** parts in your report but I do not want anyone reading it to know I wrote them.



I do not want anyone working on this work to know that I wrote these answers.

## Questions: About you

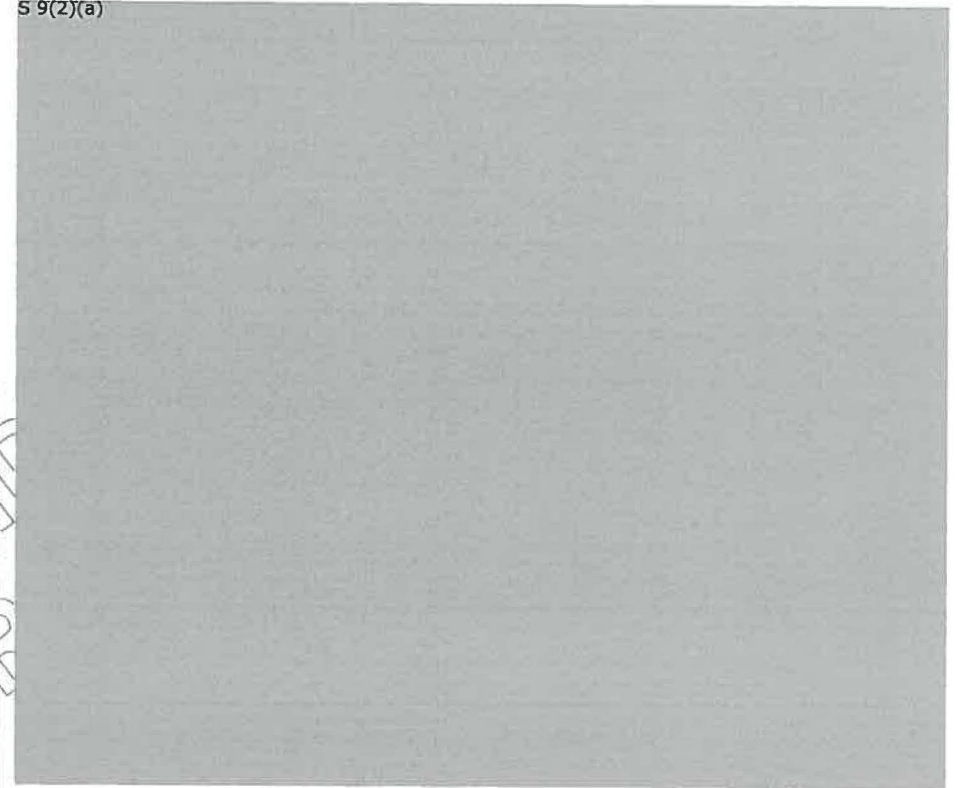
It will help us understand your answers if you tell us a bit about yourself.

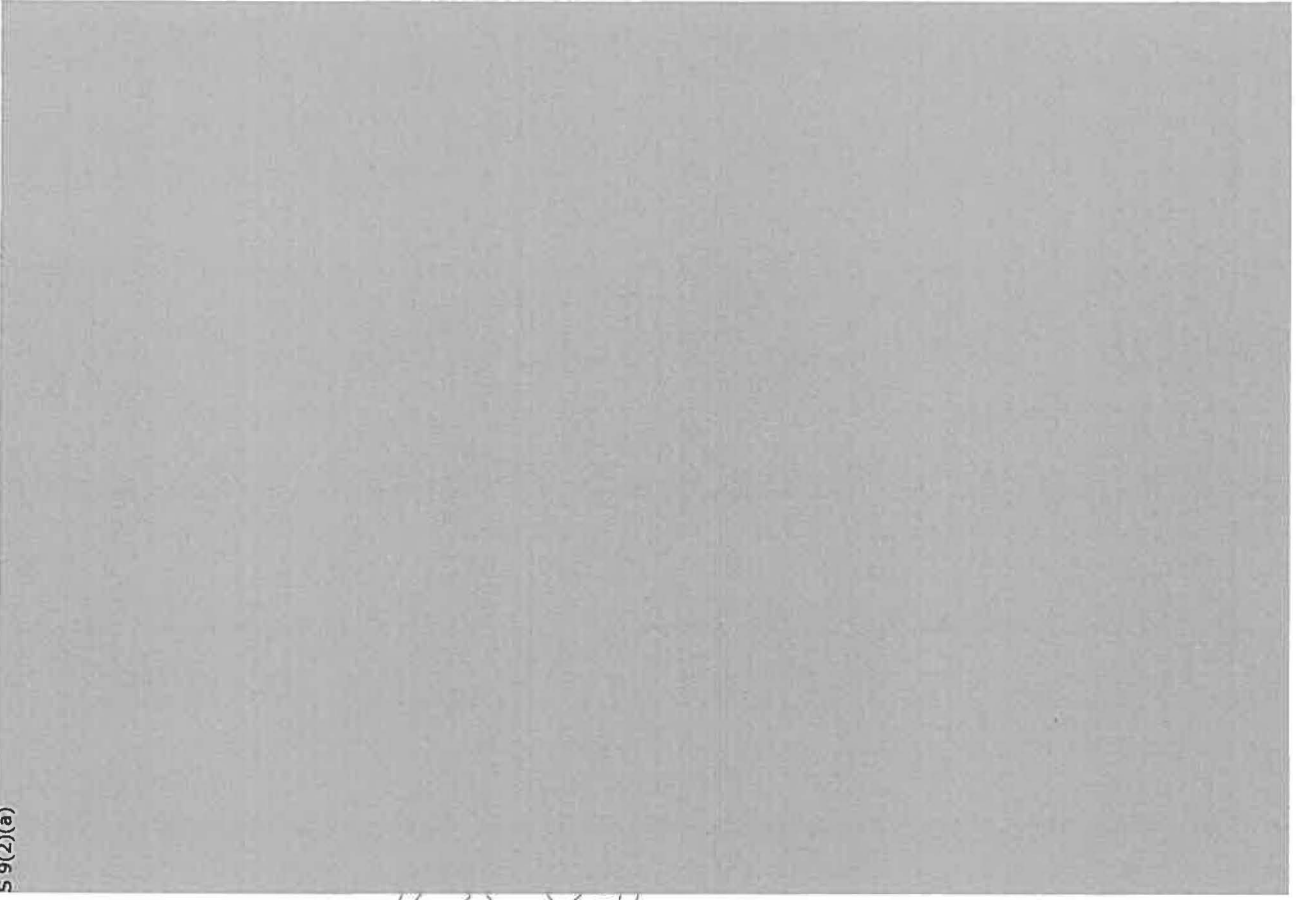
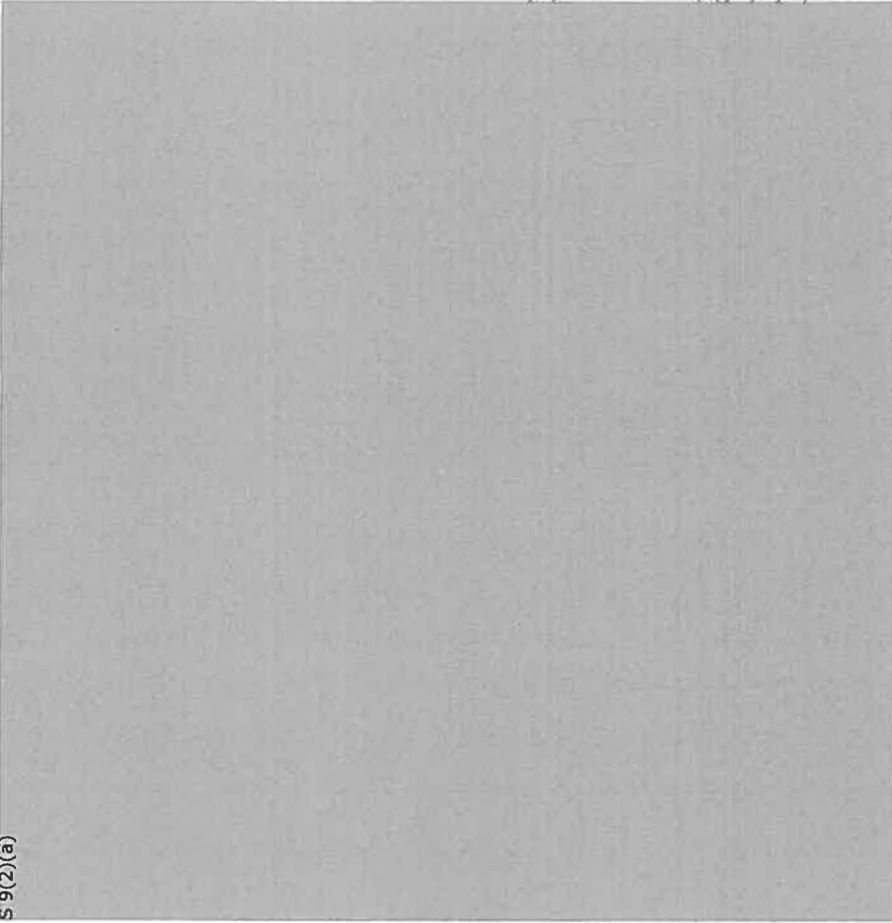
**You do not have to answer these questions.**



Tick the boxes that are right for you.

The questions start on the next page







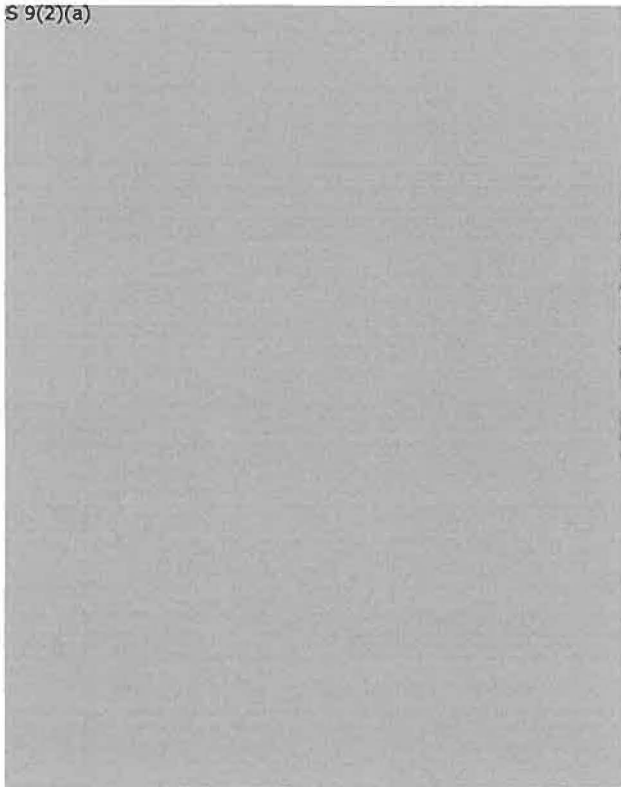


Tick the boxes that are right for you.

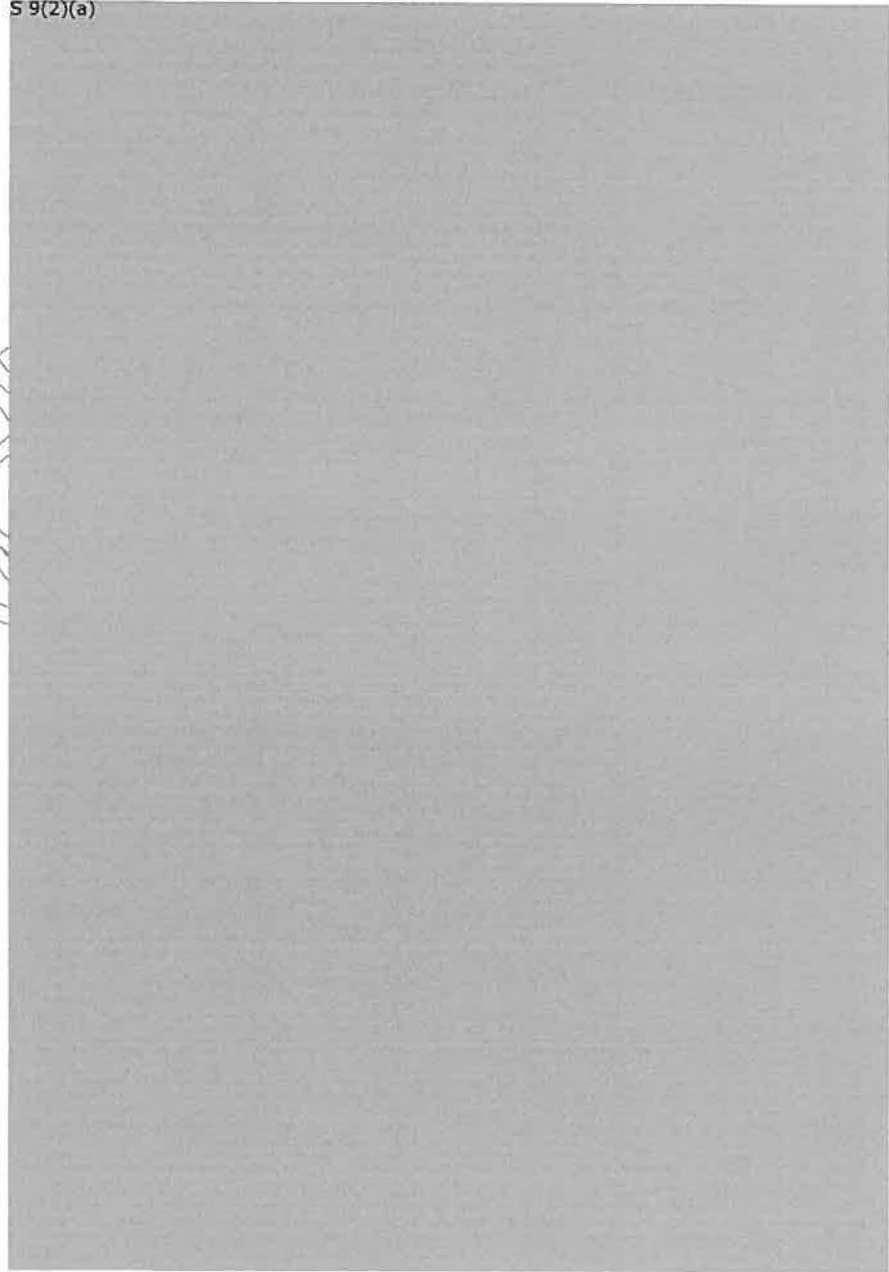


You can tick more than 1 box.

S 9(2)(a)



S 9(2)(a)



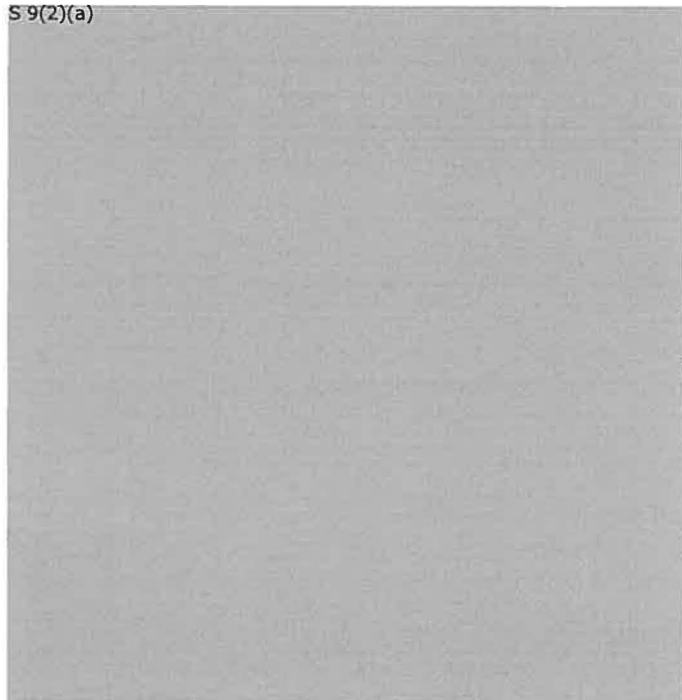


Tick the box that is right for you.



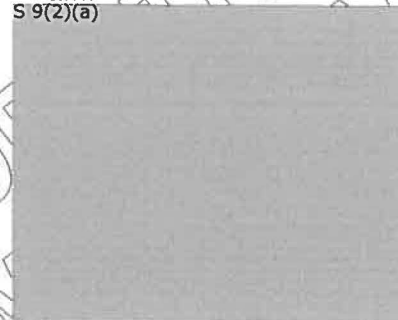
I am:

S 9(2)(a)



Tick the box that is right for you.

I am:  
S 9(2)(a)



25

## Your views on a wage supplement approach

1. We are seeking feedback from disabled people, families, Disabled People's Organisations, providers, employers and unions on a wage supplement, which could replace Minimum Wage Exemption (MWE) permits.
2. This document provides background information on the MWE, including issues with the MWE and its implementation. It also sets out a potential design for a wage supplement approach.
3. We are interested in hearing your views on the design of a wage supplement, whether you think it is better than the MWE, and any other points that you think are important for the government to consider.

## How you can provide feedback

4. You can provide your views either:
  - Directly online at:  
<https://www.msd.govt.nz/about-msd-and-our-work/newsroom/wage-supplement-consultation-announced.html>
  - By post:  
PO Box 406, Rangiora 7440.
  - By email:  
[wage\\_supplement\\_consultation@msd.govt.nz](mailto:wage_supplement_consultation@msd.govt.nz)
5. **We need to hear back from you by Sunday 14 April 2019.**

## Next steps

6. Your feedback in this document will be collated and analysed along with other responses, and used to inform whether and how a wage supplement approach may be progressed.
7. Updates on this work will be available on the Office for Disability Issues website at:  
<http://www.odl.govt.nz/what-we-do/ministerial-committee-on-disability-issues/disability-action-plan/2015-actions-implementation/02-b-alternatives-to-the-minimum-wage-exemption.html>

## Your submission may be made public

8. All submissions received by the government will be subject to the Official Information Act 1982.
9. Question 12 asks what you would like to do with information if it is requested under an OIA.
10. Please set out clearly in your submission if you object to the release of any information in the submission, and in particular, which part (or parts) you consider should be withheld, together with your reasons for withholding the information. The Ministries of Social Development and Business Innovation and Employment will take such objections into account when responding to requests under the Official Information Act 1982.

## What is a MWE permit?

11. The MWE scheme has been in place since 2007. It was put in place after the Disabled Persons Employment Promotion (DPEP) Act was repealed. The DPEP Act allowed for disabled people to be employed in segregated workplaces (sheltered workshops) and to have fewer employment rights than people employed elsewhere. For example, people working in sheltered workshops did not have to be paid minimum wage, and they did not receive sick pay or holiday pay entitlements.
12. Section 8 of the Minimum Wage Act 1983 allows Labour Inspectors to issue MWE permits to individual workers. This means the employer can pay those workers less than the minimum wage, if the inspector is satisfied that the employee is "significantly and demonstrably limited by a disability" in carrying out his or her work requirements. The key difference between section 8 of the Minimum Wage Act 1983 and the DPEP Act is that employees with a MWE issued under the Minimum Wage Act 1983 have the same employment rights and protections as other employees, except to receive the minimum wage.
13. Prospective employees applying for a permit are individually assessed by their employers. This assessment determines what wage rate the employee will be paid. The rate needs to be agreed between both employer and employee. Labour Inspectors provide a check that the assessments have been carried out by employers as they should be.
14. MWEs are for a set period – usually two years – and need to be renewed (via an application) or the minimum wage (or higher) paid on expiry of the permit.

## Who is affected by the MWE scheme, and how?

15. There are approximately 900 MWE permits in place in New Zealand. Compared to the number of disabled people in employment generally, this number is very small. The 2013 Disability Survey reported that 291,000 disabled people were in full-time employment and 125,000 disabled people were in part-time employment.
16. Most people with MWE permits are employed at Business Enterprises. Business Enterprises are organisations that receive a funding contribution from the Ministry of Social Development (MSD), and whose primary purpose is to provide employment opportunities to disabled people. A minority of people with MWE permits (3–4%) are working outside of Business Enterprises or disability support organisations. Most businesses in the open labour market that employ someone with a MWE permit have only one employee with a MWE.
17. Most employees with a MWE rely on income support in the form of the Supported Living Payment, as income earned through their work is not sufficient to support them financially. Over a quarter of people with a MWE receive \$1.99 or less per hour of work (before tax), and around 70% receive less than \$4.99 per hour of work (before tax). About 5% of MWE permit holders earn over \$10 per hour of work (before tax). The current adult minimum wage rate is \$16.50 per hour (before tax).

## Why are we looking to replace the MWE?

18. As part of the Disability Action Plan, which was jointly developed between government agencies and Disabled People's Organisations, an action was included to identify "better alternatives so that the minimum wage exemption process can be removed".
19. The lead agencies for this work are MSD and the Ministry for Business, Innovation and Employment (MBIE), recognising that the legislation is the responsibility of MBIE, and employment support for disabled people the responsibility of MSD.
20. In 2016 MSD and MBIE worked with representatives from across the disability sector to help identify the issues with the MWE and shape potential alternatives. The main issues that were identified are that:
  - Only disabled people may be subject to the MWE.
  - The MWE conflicts with New Zealand's obligations under the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD), because disabled people with a MWE do not have the same right to earn minimum wage as other people. The assessment process is subjective and the resulting wage rate is focused on what the disabled person cannot do or cannot do as quickly or as well as a non-disabled person, rather than being strengths based and focussing on what the disabled person can do.
  - Wage assessment tools are variable and there are concerns that the tools might not assess disabled people equitably.
  - Labour inspectors do not think they have enough knowledge or expertise in disability to verify that employers' wage assessments are reasonable in the circumstances.
  - Employees (and in some cases their families) may accept or request low wages so that their benefit is not reduced as a result of earnings.

<sup>1</sup> Including from the two disability provider umbrella groups; Inclusive New Zealand and the New Zealand Disability Support Network (NZDSN), as well as People First NZ and Blind Citizens NZ.



## Questions 1 and 2

### 1. Do you think that there needs to be a change to the Minimum Wage Exemption?

- ☐ Yes  
☒ No

### 2. If yes, what do you think is wrong with the current MWE scheme? (please select all that you agree with, and provide as many other options as you think are relevant)

- a. It discriminates against disabled people
- b. It conflicts with the United Nations Convention on the Rights of Persons with Disabilities
- c. The assessment process focuses on what the disabled person cannot do
- d. The wage assessment tools that are used may not assess disabled people equitably
- e. I don't think there should be a wage assessment process
- f. Other (please specify all other things you think need to change – there is no limit)

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## Why are we proposing a wage supplement to replace the MWE?

21. For many people, an end to all forms of discrimination (including MWE permits) remains a key objective. At the same time, we understand that for a lot of disabled people who are currently employed with a MWE permit, the job, workplace and income security are important.

22. When we were considering alternatives to the MWE scheme, we were mindful of the need to ensure the protection of all job opportunities that the current scheme provides for disabled people. A "bottom line" requirement for government is that nobody should be worse off as a result of any changes to the MWE scheme.

23. Through the work with disability sector representatives, we identified that a wage supplement would both protect existing employment opportunities for disabled people with a MWE, and would mean that those employees could be paid minimum wage.

## How would a wage supplement approach work?

*to replace MWE*

24. Under a wage supplement approach, employers would be required to pay all staff, including all disabled staff, at least minimum wage. In return, employers would be able to receive a wage supplement from the government to assist with some of the wage costs for disabled employees who are eligible for a wage supplement.
25. It is envisaged that a wage supplement be accessible by the same group that is currently accessing the MWE, and those who would be eligible for it in the future. Eligibility criteria for the wage supplement would include that:
  - employees must be demonstrably limited by a disability, even after their employer has made reasonable accommodations
  - the job needs to provide a real opportunity for the disabled person to contribute and use their abilities and skills (i.e. not created solely as a means of occupying the disabled person at a rate heavily subsidised by the government).
26. In addition, we are proposing some additional criteria to further ensure that the wage supplement is not able to be used by employers as a means of subsidising their wage costs for disabled staff more generally, including that:
  - the disabled person must be aged between 16<sup>2</sup>–64 years at the time of applying for the supplement<sup>3</sup>
  - the disabled person must meet New Zealand residence requirements, in line with the requirements to receive a benefit and to be entitled to work in New Zealand
  - the disabled person must not have been employed by the same employer at minimum wage or above previously, unless they became disabled by an injury or medical condition after their employment, and their disability limits their ability to meet the requirements of their job (even after reasonable accommodations have been made).
27. The application process for a wage supplement will include a criteria check to ensure it is not used to subsidise wage costs for a broader group than intended.
28. Unlike other employment supports, a wage supplement would not be for a set period of time, but would continue for as long as the disabled person is assessed as eligible.

- 2 16–19 year olds could be paid the starting out minimum wage rate for the first six months of work, at which point they would need to be paid at least the adult minimum wage, in line with existing legislation. As most young disabled people continue their schooling to age 21, we estimate there would be very few people who may be eligible for the starting out rate and a wage supplement.
- 3 A wage supplement could continue to be paid at age 65 and beyond, providing that it was applied for and approved before the person turns 65. Currently the age of eligibility for NZ Superannuation is 65. When a client turns 65 and is on a main benefit, they move from that benefit to NZ Superannuation. As NZ Superannuation is not income or asset tested, there would be no return to government from the increased expenditure on a wage supplement once a person turns 65.

29. A wage supplement would increase the earnings of the disabled person who receives it. Correspondingly, this may reduce any benefit payments the disabled person receives and/or increase financial obligations such as KiwiSaver deductions, and Student Loan repayments or child support payments, if applicable.
30. We have modelled a number of scenarios and determined that most people would be better off under a wage supplement approach than they are under the MWE. In rare circumstances, if a person would be worse off as a result of increases in financial obligations from earning more, this could be offset by applying an income exemption under the Social Security Regulations.
31. Under Schedule 8 Part 25 clause 44 of the Social Security Regulations, it is possible to disregard all or part of the income earned by a severely disabled person in employment as chargeable income for benefit purposes. This means that the income that is exempt is not counted when calculating whether earned income will reduce the rate of a person's benefit. Some people with a MWE may already have an income exemption.

### Example:

#### Comparison of earnings under the MWE and a wage supplement approach

Gina works 10 hours per week at a local Business Enterprise. She receives \$1.50 per hour she works and has an income exemption from Work and Income for the earnings she gets from the Business Enterprise, which covers the cost of her bus travel to and from the Business Enterprise. She receives a single rate of Supported Living Payment, 18 years+. She lives at home with her parents and younger siblings and does not pay board. She does not contribute to KiwiSaver. Each week she receives:

- Gross weekly income is \$303.40 from SLP and \$15 from working (total \$318.40)
- PAYE deduction is \$41.29
- Net income is \$277.11 per week

Under a wage supplement approach, Gina would earn \$16.50 per hour. If we assume she continues to get an income exemption for the \$1.50 per hour that she previously had, each week she will now receive:

- Gross weekly income is \$288.40<sup>4</sup> from SLP and \$165 from working (total \$453.40)
- PAYE deduction is \$66.79
- Net income is \$386.61 per week

**The net benefit of Gina receiving a wage supplement is \$109.50 per week or \$5,694 over a year/52 weeks.** This is after paying additional income tax and abatement of her SLP.

- 4 Gina's full rate of SLP is abated by \$15 because of \$150 earnings (\$15 of the \$165 she earns are exempt), reducing SLP to \$288.40.

Jeremy has a MWE. He works 28 hours per week at \$5 per hour. He receives a single rate of Supported Living Payment, 18 years+. He lives at home with his parents and does not pay any board. He receives \$12 per week Disability Allowance (DA) from Work and Income for ongoing costs related to his disability. In addition, he is paying back a Student Loan from a course he undertook after leaving school a few years ago. He also contributes 3% of his before tax income to KiwiSaver. Each week he receives:

- Gross weekly income is \$291.40 from SLP<sup>5</sup>, \$12 DA and \$140 from working (total \$443.40)
  - PAYE<sup>6</sup> deduction is \$62.53
  - Student Loan repayment is \$16.80
  - KiwiSaver contribution (3%)<sup>7</sup> is \$4.20
  - Total deductions (\$83.53)
- **Net income after deductions is \$359.87 per week**

Under a wage supplement approach, Jeremy would earn \$16.50 per hour. If we assume his financial obligations remain, each week he would now receive:

- Gross weekly income is \$90.40 from SLP (after abatement through earned income), \$12 DA and \$462 from work (total \$564.40)
  - PAYE deduction is \$98.01
  - Student Loan repayment is \$55.44
  - KiwiSaver contribution (3%) is \$13.86
  - Total deductions (\$167.31)
- **Net income after deductions is \$397.52**

The net benefit of Jeremy receiving a wage supplement is \$37.65 per week (\$1,957.80 over a year/52 weeks). This is after paying additional income tax, Student Loan repayments and KiwiSaver contributions. If Jeremy did not have a Student Loan to repay, the net benefit would be higher again. Under a wage supplement approach Jeremy will be able to pay off his Student Loan earlier.

<sup>5</sup> This is less than the full rate of SLP as Jeremy's \$140 earnings are considered chargeable income and mean his SLP is abated by \$12 per week.

<sup>6</sup> This does not include DA, as DA is a non-taxable allowance.

<sup>7</sup> Note KiwiSaver contributions are only paid in respect of earnings, not benefits.

## Questions 3 and 4

### 3. Do you think that a wage supplement approach would be better than the MWE?

- ☐ Yes  
☒ No

### 4. What things (criteria) do you think should determine whether an individual should be able to get a wage supplement?

S 9(2)(a)

36  
S 9(2)(a) receives \$19.01 for a 4 day how much as an assembler. S 9(2)(a) pays \$5.24 (8%) to KiwiSaver topped up by 8.5% employer contribution PAYE 12.27

The employer could not afford to pay S 9(2)(a) staff under MWE, & the place of employment will close down, therefore — S 9(2)(a) will have no employment at all.

## How would the rate of the wage supplement be determined?

32. There are two options for determining the rate of a wage supplement:

- a new, government mandated wage assessment tool
- a single rate for all who are eligible for a wage supplement.

## A new, government-mandated, wage-assessment tool

33. Currently employers can use any tool they choose to assess the wage rate for their employees. One of the issues identified with the MWE is that current wage assessment tools are variable and there are concerns that not all of the tools used assess disabled people equitably.

34. If there is support to continue with a wage-assessment process, then a new, government-mandated, wage-assessment tool could be developed to ensure that all disabled people eligible for a wage supplement are assessed using the same wage assessment tool. All employers would be required to use this tool for their wage supplement assessments. This would address the issues around variability and equity of the wage rates produced when different tools are used. The government would then pay the difference between the assessed wage rate determined by the newly developed tool, and the minimum wage.

35. There is a risk that the wage-assessment tool could increase wage costs for employers who are already employing disabled people with a MWE, particularly those employers who may have been relying on wage assessment tools that produced very low wage rates. The development and transition to a new tool would need to be managed carefully with employers to ensure that it does not result in disabled people losing their jobs.

36. A government agency would need to continue to maintain oversight of the wage assessment process and ensure that employers use the tool correctly. The Labour Inspectorate currently has this role but considers that it is not well-equipped to perform this function, as it is outside the Inspectorate's core business of enforcing minimum employment standards set in legislation.

37. Developing a wage-assessment tool would require specialist expertise, outside of government. It would also require targeted consultation with employers using these tools to ensure that the tool that is developed is fit for purpose.



## Questions 5, 6 and 7

5. Do you think disabled people eligible for a wage supplement should be assessed to determine what rate of supplement is paid to the employer by the government?

☒ Yes  
☐ No

6. If yes:

- a. What things should be considered when determining how much an employer should contribute to the worker's wage, and how much should be paid by the government?

*If the employer can no longer break even or even make a small profit then the government should step in to assess the situation & offer appropriate help.*

- b. Who do you think should assess individual employees' productivity and/or their skills and abilities? (e.g. government, employer, someone else – please give as much detail as possible)

*government rep*

- c. What kind of government oversight should be applied to employers making use of a wage supplement? Which government agency or agencies do you think should fulfil this role?

*Before paying*  
 ① Hon. Iain Ramsbottom  
 Minister for Workplace Relations & Safety  
 ② Hon. Carmel Sepuloni  
 Minister for Disability Issues

## If no:

7. Do you think the government should pay the employer a single rate of wage supplement for all the disabled employees who are eligible, and avoid an assessment of their work abilities?

☐ Yes  
☒ No

## Questions 8, 9, 10 and 11

### 8. What do you like about a wage supplement approach?

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### 9. What do you think are the downsides or risks of a wage supplement approach?

The existing situation (36 hours at Abitibi  
Glenfield works well. Net pay is \$48.01  
per week, after Kiwisaver & PAYE contributions.  
The employer says that the place will close  
S 9(2)(a) will have no place of work.

### 10. Do you prefer:

- a. a wage supplement (to replace the MWE)
- ☒ b. no change
- c. something else – please specify in as much detail as possible the alternative mechanism you would prefer.

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### 11. Any other comments/feedback you would like to make?

S 9(2)(a) (nearly 11) has no job now S 9(2)(a)  
S 9(2)(a) has worked at Abitibi Glenfield since  
leaving school at S 9(2) – therefore S 9(2) years  
They were treated well in Christmas party,  
birthday cake on S 9(2)(a) birthday.

## Question 12

### 12. If information on submissions is requested under the OIA, are there any parts you would not want released (note we will not release your personal information)?

Please advise what parts you would not want released and why (if submissions are requested we will take this into account when we consider the public interest in releasing information).

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**Demographic questions**  
(optional)

To help us put your feedback into context, please tell us a little bit about yourself. These questions are voluntary.

1. In what capacity have you completed your feedback?

S 9(2)(a)

A large rectangular area of the document is redacted with a solid grey box. A faint, diagonal watermark reading "UNDER FORM" is visible across the redacted area.

2. What is your ethnic group?

S 9(2)(a)

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S 9(2)(a)

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3. What is your age group?

S 9(2)(a)

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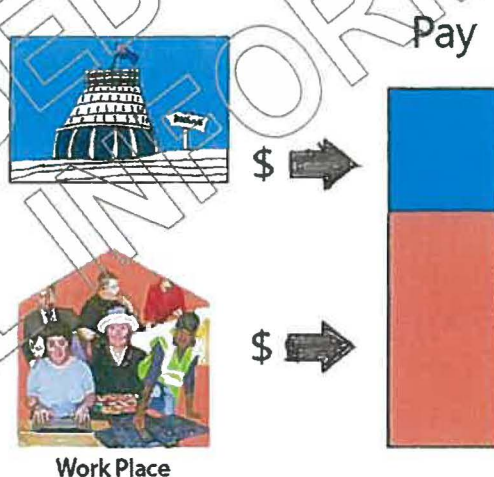
4. What is your gender?

S 9(2)(a)

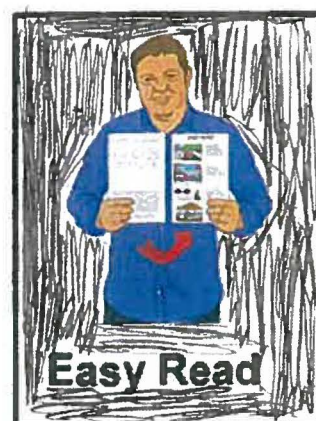
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## Wage supplements

A way to make sure that everyone can  
be paid minimum wage

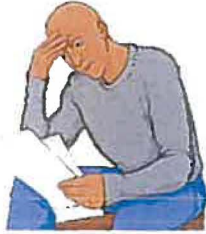


This is the Easy Read information  
and form to have your say.





## Before you read this



This is a long document with lots of questions in it.



It is written in Easy Read but it can be hard for some people to read a document this long.



Some things you can do to make it easier are:

- read it a few pages at a time
- get someone to assist you to understand it
- get someone to assist you to write your answers.



# What is in this book?



What is this book about? 1



How to tell us what you think 4



Message from the Ministers 6



Who is doing this work? 9



How does a Minimum Wage Exemption work? 10



More about Minimum Wage Exemptions 13



What are the problems  
with Minimum Wage  
Exemptions?

15



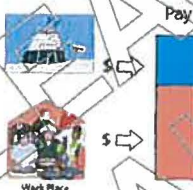
**Questions:** What do you  
think about the Minimum  
Wage Exemption?

18



Why we think a wage  
Supplement is a  
good idea

21



How would wage  
supplements work?

22



2 ideas about how wage  
supplements could work

23



Who could get a wage  
supplement?

25





## Page

Wage supplements  
and Work and Income

28



Good things about wage  
supplements

30



Things that may be a  
problem with wage  
supplements

32



**Questions:** What do  
you think about wage  
supplements?

35



Your answers may be  
shared with the public

40



**Questions:** Do you want  
to keep some of your  
answers private?

41





**Questions: About you**

**42**



**Sending your answers  
to us**

**50**



**What happens next?**

**51**

RELEASED UNDER THE  
OFFICIAL INFORMATION ACT

## What is this book about?



Most adults in New Zealand must be paid **the minimum wage** or more for every hour that they work.



The **minimum wage** at the moment is 16 dollars 50 cents.



The **minimum wage** is going to go up soon.

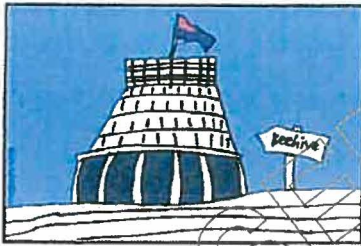


At the moment some Disabled people get **less than the minimum wage** for their work.

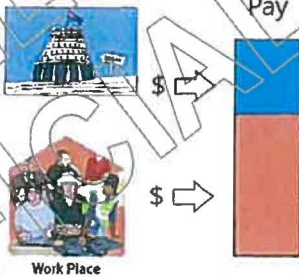


Some Disabled people have a  
**Minimum Wage Exemption permit.**

**A Minimum Wage Exemption permit** lets a workplace pay a worker **less than** minimum wage.



Some of us in the government are  
thinking about changing this.



Our idea is to give workplaces money  
to help them pay everyone the  
minimum wage.

We are calling this a **wage supplement.**



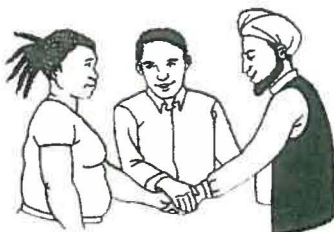


We want to know what you think about this idea.



We want to hear from:

- Disabled people
- their families / whānau
- organisations that provide services to Disabled people
- workplaces
- unions.



Unions help workers work together to get their rights at work.



# How to tell us what you think

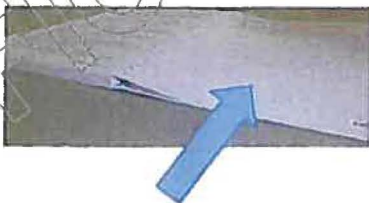


In this book there is:

- information
- questions
- places for you to write answers.



You can write in this book and send your answers to us.



On **page 50** is information about where to send your answers.



We need to get your answers by **Sunday 14 April 2019.**



If you are looking at this book on a computer and **want a copy you can write on** send us an email at:

[wage\\_supplement\\_consultation@msd.govt.nz](mailto:wage_supplement_consultation@msd.govt.nz)



We will send you:

- a copy of this book you can write on
- an envelope with a stamp on it so you can send your answers back to us for free.



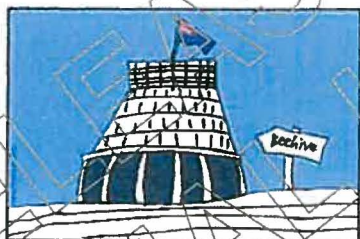
## Message from the Ministers



Carmel Sepuloni is the Minister for Disability Issues.



Iain Lees-Galloway is the Minister who makes sure that workplaces are safe and fair.



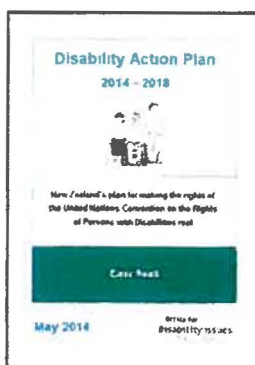
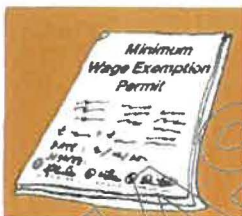
They are part of the government.

This is a message from them:



We know that people in New Zealand care about doing their job well.





Having a job helps people to:

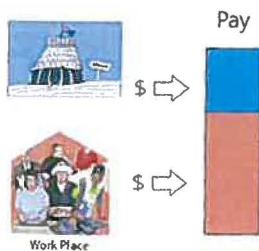
- have enough money
- learn skills
- be part of the community.

At the moment there are about 9 hundred Disabled people who are paid less than the **minimum wage**.

It is unfair that these workers do not have the same rights as other workers.

In the Disability Action Plan we said that we want everyone to be paid **minimum wage or more**.





One way we could make this happen is if the goverment pays a **wage supplement**.

We want to make sure we choose a way of paying people that works for everyone.

Your answers to the questions in this book will help us to do this.