



## COVERSHEET

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|--------------------------------|--|-----------------------------|--------------------------------|
| <b>Minister</b>                | Hon Brooke van Velden  | <b>Portfolio</b>            | Workplace Relations and Safety |
| <b>Title of Cabinet papers</b> | Introducing an Income Threshold for Unjustified Dismissal<br>Strengthening consideration and accountability for the employee's behaviour in the personal grievance process | <b>Date to be published</b> | By 31 January 2025             |

| <b>List of documents that have been proactively released</b> |   |   |
|--|---|---|
| <b>Date</b>  | <b>Title</b>  | <b>Author</b>   |
| November 2024  | Introducing an Income Threshold for Unjustified Dismissal   | Office of the Minister for Workplace Relations and Safety |
| 20 November 2024   | Introducing an Income Threshold for Unjustified Dismissal<br>ECO-24-MIN-0265 Minute   | Cabinet Office  |
| 12 November 2024   | Regulatory Impact Statement: Introducing an income threshold for unjustified dismissal  | MBIE  |
| November 2024  | Strengthening consideration and accountability for the employee's behaviour in the personal grievance process                           | Office of the Minister for Workplace Relations and Safety |
| 20 November 2024   | Strengthening consideration and accountability for the employee's behaviour in the personal grievance process<br>ECO-24-MIN-0268 Minute | Cabinet Office  |
| 7 November 2024  | Regulatory Impact Statement: Strengthening consideration and accountability for the employee's behaviour in personal grievance process  | MBIE  |

### **Information redacted**

**YES / NO** (please select)

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reasons of Confidential advice to Government.



# Cabinet Economic Policy Committee

## Minute of Decision

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*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

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### Introducing an Income Threshold for Unjustified Dismissal

**Portfolio**                      **Workplace Relations and Safety**

On 20 November 2024, the Cabinet Economic Policy Committee:

- 1        **noted** that the National - ACT Coalition Agreement committed to consider simplifying personal grievances, in particular setting an income threshold above which a personal grievance could not be pursued;
- 2        **agreed** to introduce an income threshold for unjustified dismissal personal grievances;
- 3        **agreed** that the income threshold be initially set at \$180,000 per annum;
- 4        **agreed** that employees earning over the threshold are automatically excluded from raising an unjustified dismissal;
- 5        **agreed** that employees earning over the threshold can agree with their employer to contract into unjustified dismissal personal grievances;
- 6        **agreed in principle** that the threshold applies to existing employment agreements between employers and high-income employees, with a 12-month transitional provision, subject to the Minister for Workplace Relations and Safety receiving further advice and taking decisions in accordance with paragraph 11 below;
- 7        **agreed** that the threshold include the technical design features set out in Annex One to the paper under ECO-24-SUB-0265;
- 8        **authorised** the Minister for Workplace Relations and Safety to make decisions on the in-principle proposals set out in Annex One;
- 9        **agreed** that the policy changes referred to above be given effect through the Employment Relations Amendment Bill, which holds a category seven priority on the 2024 Legislation Programme (policy development to continue in or beyond 2024);
- 10      **invited** the Minister for Workplace Relations and Safety to issue drafting instructions to the Parliamentary Counsel Office to give effect to the policy changes referred to above;

- 11 **authorised** the Minister for Workplace Relations and Safety to take further decisions, including on any transitional provisions, consistent with the above policy that arise during the drafting and Parliamentary process.

Rachel Clarke  
Committee Secretary

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**Present:**

Rt Hon Christopher Luxon  
Rt Hon Winston Peters  
Hon David Seymour  
Hon Brooke van Velden  
Hon Chris Bishop (Chair)  
Hon Paul Goldsmith  
Hon Louise Upston  
Hon Mark Mitchell  
Hon Matt Doocey  
Hon Melissa Lee  
Hon Penny Simmonds  
Hon Chris Penk  
Hon Nicola Grigg  
Hon Mark Patterson  
Simon Court MP

**Officials present from:**

Office of the Prime Minister  
Ministry of Business, Innovation and Employment  
Officials Committee for ECO