

Holidays Act Remediation Project FAQs

Who may be impacted?

The issues identified may impact past and present Arvida employees who were employed on a permanent basis at any time from 15 May 2018, or from the date your community was acquired if after this date, up to when Arvida has confirmed compliance with the Holidays Act 2003.

Not all individuals who were employed by Arvida during that period have been impacted, as many will have received their correct entitlements.

What do I need to do now?

Current employees don't need to do anything. If you are receiving an entitlement as part of the remediation recalculation, this will be processed between 15 and 31 October 2025.

We will need further information for former employees to process their remediation payments. We will reach out to former employees once we have completed the process with the current Arvida team.

When and how will I get paid?

If the remediation calculations show you are to receive a payment, remediation payments are scheduled to be processed from the week commencing 13 October. We expect to complete all payments to current team members by the end of October. Payments will be made via direct credit into your New Zealand bank account which you receive your usual pay into.

How much will my payment be?

Earnings history and leave patterns are unique. Each case has been assessed individually, and each payment amount will be different.

The remediation calculations compare what was paid with what should have been paid for each instance of leave. The amount that people will receive will vary depending on the circumstances for each individual employee, for example their hours worked, or payments made during the remediation period. We are making all payments - even if you are due 1 cent. We have a legislative obligation to pay everyone correctly even if it is only a small payment.

If you are a current employee, and we find that we do need to make an adjustment for you, then it is possible that you may receive additional leave entitlements rather than a payment (or a combination of both). Each employee is different depending on the hours they work and the extent of variability in the pay you receive. We are carefully working through this with our expert advisors.

What does the payment cover?

The payment will be a 'gross' remediation payment based on an employee's calculated underpayment of holiday pay. KiwiSaver deductions and contributions will be calculated as part of the remediation payment.

Will I have pay deducted?

No, there will be no pay deduction - you'll either receive something or nothing from this process.

Is the payment subject to tax and other deductions?

Yes, the total payment will be subject to income tax and any Kiwisaver deductions you have from lump sum income received will be applied.

The remediation payments will be treated as an 'extra pay' for tax purposes. We encourage you to contact IRD or other relevant organisations for advice about whether your remediation payment affects any agreement you have about:

- current earnings
- benefits
- child support
- working for families
- any other matters.

I'm acting on behalf of someone, how do I claim for them?

To check if a deceased person's estate or someone you act for is due a remediation payment, you'll need to verify your identity and provide documentation confirming you are authorised to act on their behalf. If you believe you may be entitled to a back payment of an estate or a person for whom you hold power of attorney, please get in touch at holidaysact@arvida.co.nz.

Why has this happened?

Many New Zealand businesses miscalculated entitlements due to the complexities in the Holidays Act 2003 (which is now being reviewed by the Government). Businesses impacted have included Bunnings, McDonalds, Woolworths and many Government departments.

How far back do these issues go?

Guidance under legislation stipulates that remediation should go back six years. Arvida will make calculations dating back to 2018. This would be six years back from the date (in 2024) when Arvida entered into an enforceable undertaking with MBIE.

Since becoming aware of the compliance issues Arvida has:

- Engaged with an external provider (who is an independent specialist in this work) to test and verify issues; and
- Engaged expert legal advice.

Can my payment be made into an overseas bank account?

No, we can only make payments to New Zealand bank accounts.

Will I receive interest on top of my payment?

Interest is not payable on remediation payments.

What steps have Arvida taken to ensure my future holiday pay is correct?

Arvida has conducted an external review of its payroll processes and changes will be made going forward to ensure that leave is calculated correctly. We will continue to monitor our systems going forward.

Will my pay look different next month?

Your pay will only change if you take leave in the course of the next month. Whether or not your pay changes significantly, will depend on your hours worked and how much leave you take (if any). We would be happy to answer any specific questions after our next payroll is processed.

Can I seek legal advice independently?

Yes, you are entitled to seek advice independently.

What about former employees?

Our plan is to look at the calculations for former employees after we have completed this process with the current Arvida team.

Does this project have anything to do with the Government agreeing to repeal and replace the Holidays Act 2003 with a new Employment Leave Act?

No, this project isn't related as Arvida is still required to comply with the current Holidays Act legislation until any new laws are passed.

Who can I contact if I need more information?

If you have any questions, please contact the Holidays Act Remediation team via holidaysact@arvida.co.nz.