

## Primary Health Care MECA

### Frequently Asked Questions

The following outlines the most common questions we are asked about the interpretation and application of the Primary Health Care Multi Employer Collective Agreement (PHC MECA). If you have any specific questions that are not covered in this document, please contact Robyn Fell at [robyn@nzma.org.nz](mailto:robyn@nzma.org.nz) or phone 0800 656 161.

***Our practice is a party to the PHC MECA but a new nurse (or receptionist) wants to be on an individual employment agreement (IEA). Can we put them on an IEA immediately?***

No. All employees must be employed under the terms and conditions of the MECA for the first 30 days of their employment, regardless of whether they are a union member or not. If at the end of the 30 days, the employee chooses not to join the union, they will need to be employed under an IEA. It is acceptable for the terms and conditions of the IEA to be similar to the terms and conditions of the MECA, providing there was the opportunity for genuine negotiation.

If an employee joins the NZNO during their employment, they are then automatically covered by the MECA from the date of joining the NZNO.

***We want to put an employee onto the 90 day trial period. How do we do this?***

Only employers with 19 or less employees can use the 90 day trial period. The PHC MECA requires that the trial period shall be specified in the employee's letter of offer, and shall also advise the employee of the right to seek independent advice about the trial period.

Any trial period must be correctly drafted, in writing, and signed by the employee prior to starting work. The employee must agree to the inclusion of the trial period, so whether the trial period is used, is up to negotiation between parties. Whilst the employer is not required to follow the usual processes for dismissal, the employer must act in good faith towards the employee. At a minimum, this means telling them why they have been dismissed.

Refer to our 90 day trial period advisory which sets out the terms and conditions of the 90 day trial period in detail, and includes a sample letter of offer.

*(PHC MECA – Clause 6)*

***Are casual employees covered by the PHC MECA***

Yes, if you employ an employee who is a member of the NZNO then they are automatically covered under the MECA. You would acknowledge their casual status in their letter of appointment.

The MECA states a casual employee “means an employee who has no set hours or days of work and who is normally asked to work as and when required. They are employed when

*there is an overflow of work or a permanent employee is absent. Each engagement undertaken by the casual employee is a stand alone employment arrangement and the employment shall be at an end at the completion of the work required. Nothing in this agreement, either express or implied, requires the employer to offer any employment to any employee, notwithstanding that the employee may be recognised on any list maintained by the employer to assist in obtaining staff.”*  
(PHC MECA Clause 5).

**Can I employ an employee on a fixed term under the PHC MECA?**

Yes, as long as there is a genuine reason for the fixed term. The reason fixed term would need to be put in writing in their letter of offer.

***I have an existing employee who was a union member but has now left the union. Can they continue to be covered under the MECA.***

No, you would be required to develop an individual employment agreement for them. Under the Employment Relations Act, you cannot change any terms and conditions of employment without consultation and agreement by the employee (this does not, however, restrict you from restructuring your business after following the correct procedure). So when you provide your employee with an IEA, it is likely that the terms and conditions will be similar to the MECA, and any changes must be agreed by the employee.

The NZMA has sample IEAs that mirror the MECA available to members in this situation.

***We are a party to the MECA but I would like to offer my NZNO member employees an individual employment agreement with different terms and conditions to the MECA. Can I do this?***

No, your NZNO members must be employed under the MECA. If they want an IEA, they must resign their NZNO membership. This does not stop you negotiating conditions of employment that are different from the MECA, as long as the conditions are more favourable than the MECA.

***Can our actions as an employer override the terms of an agreement?***

Yes. This is important to remember. For example, if you start regularly paying wages in excess of the agreement, or provide allowances (for example, paying all of the employee’s annual practicing certificate), then these automatically become an unwritten part of the agreement and are legally binding. You do not have to record these changes in writing.

***Under the PHC MECA do we have to pay travel time for professional development?***

Yes, but only if the travel time happens within your employee’s normal working hours. All of the employee’s normal working hours absent from the practice for professional development, including travel time, should be paid.  
(PHC MECA Clause 12).

***My employee is attending a course as part of their professional development. Are we required to pay for the cost of the course under the PHC MECA?***

There is no obligation for the employer to pay for the cost of the course. The practice should consider paying for courses that they require the employee to attend.  
(PHC MECA Clause 12).

***We have a part time employee on the PHC MECA. How do we calculate their sick leave entitlement?***

After three months continuous employment a full time employee is entitled to 10 working days paid sick leave for the subsequent twelve months of employment, and an additional 10 working days for each subsequent twelve month period. The entitlement is pro-rated for part time employees except that a part-time employee is entitled to no fewer than five working days paid sick leave. To calculate the entitlement for an employee who works less than five days per week, multiply the number of days they work per week by two. So for example, an employee who works four days per week, would be entitled to eight days sick leave per year and an employee who works three days per week, would be entitled to six days sick leave per year. However, an employee who works only two days per week would still be entitled to five days sick leave per year, as this is the minimum.

(PHC MECA – Clause 16)

For more information about sick leave, see our Holidays Act advisory.

***I am looking at restructuring my practice which may affect employees covered under the PHC MECA. What are my obligations to these staff?***

Restructuring and redundancy processes and procedures are specifically dealt with in a separate NZMA advisory available on our website. However, if your employees are covered under the MECA there are further requirements outlined in clauses 27 and 28 of the MECA. Basically the main additional requirement is that you advise the NZNO at the beginning of the consultation process, when you advise the employees affected.

There is also a requirement to pay redundancy compensation in some cases if the employee's position is made redundant.

(PHC MECA – Clause 27 and 28)

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## Need more help?

Contact the NZMA:

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