

Memorandum of Understanding dated: 15 June 2023

Parties:

1. The parties to this Memorandum of Understanding are:
 - a. Te Whatu Ora Health New Zealand (Te Whatu Ora);
 - b. Midwifery Employee Representation and Advisory Service (MERAS); and
 - c. New Zealand Nurses Organisation Incorporated Tōpūtanga Tapuhi Kaitiaki Aotearoa (NZNO).

Background

2. The parties (including the Te Whatu Ora predecessor DHBs) have been engaged in a pay equity process to investigate the Midwives' Pay Equity Claim raised separately by NZNO in 2017 and MERAS in 2018 and subsequently consolidated.
3. The parties are still working through the pay equity process to settle the Midwives' Pay Equity Claim and it is taking longer than the parties envisaged.
4. The pay rates agreed in this Memorandum of Understanding apply in the interim while the parties continue to negotiate settlement of the Midwives' Pay Equity Claim, unless otherwise varied by the parties, for example by collective bargaining.

Agreed terms

Condition

5. Once signed, this Memorandum of Understanding is conditional on approval by the Director-General of Health. In the event that this condition is not met in full by 16 June 2023, this Memorandum of Understanding will lapse and be of no effect.

Te Whatu Ora commitment

6. Te Whatu Ora will pay employees covered by the Midwives' Pay Equity Claim the remuneration set out in the pay scales in Appendix 1 from the date their employment agreement is varied to implement the terms of this Memorandum of Understanding.
7. Te Whatu Ora will pay employees covered by the Midwives' Pay Equity Claim whose employment agreement is varied to implement the terms of this Memorandum of Understanding remuneration in recognition of past work as follows:
 - a. Backpay on the new pay rates set out in Appendix 1 from 4 April 2022.
 - b. A lump sum payment of \$10,000 (gross) to each employee (pro-rated in accordance with (c) below) less any lumpsum payment they already received in relation to the pay equity claim in 2021 and 2022, including:
 - i. the \$6,000 (gross) payment made to some members of MERAS in accordance with the Memorandum of Understanding attached to the Terms of Settlement for the MERAS collective agreement agreed in September 2021, plus the additional \$1,000 (gross) payment.

- ii. the \$7,000 (gross) payment made to some members of NZNO in accordance with the Memorandum of Understanding attached to the Terms of Settlement for the NZNO collective agreement agreed in September 2021.
 - c. The lump sum payment in (b) above is to be pro-rated by:
 - i. service across the 27-month period immediately prior to 4 April 2022; and
 - ii. FTE based on the greater of contracted FTE as at 4 April 2022, and the actual hours worked (excluding overtime and call back, and up to the equivalent of 1.0 FTE) between 1 January 2020 and 4 April 2022.
- 8. Grade 2 of the Senior Midwives' scale will be removed and employees in Grade 2 will be translated to Grade 3, step 1 from 4 April 2022.
- 9. Te Whatu Ora will take all reasonable steps to ensure that these payments are made as soon as practicable once employment agreements have been varied to implement the terms of this Memorandum of Understanding (see clauses 11(b) and 13), but the parties acknowledge that this will involve extensive payroll work and it is likely to take around 3 months before midwives receive payment.

Connection with any final settlement

- 10. The parties acknowledge that the payments set out in this Memorandum of Understanding are made in advance of any settlement of the Midwives' Pay Equity Claim. These payments are intended as being in partial satisfaction of the Midwives' Pay Equity Claim and therefore will be deducted from any payments due to employees arising out of any final settlement.

Ratification

- 11. The parties agree that this Memorandum of Understanding will not come into effect unless and until:
 - a. MERAS and NZNO attain endorsement of this Memorandum of Understanding by employees covered by the Midwives' Pay Equity Claim (including non-union member employees) in accordance with a vote conducted by the unions with a simple majority (50% + 1) of those who participate in the vote by no later than three weeks after the condition in point 5 is met; and
 - b. MERAS and NZNO both attain ratification of a variation to their existing collective agreements to incorporate the terms of this Memorandum of Understanding, as per Appendix 2 (MERAS) and Appendix 3 (NZNO), by no later than three weeks after the condition in clause 5 is met.
- 12. On satisfaction of the condition in clause 5 above, Te Whatu Ora will sign the variations in Appendices 2 and 3 and the union parties will undertake the necessary process(es) to enable employees to vote on whether to endorse the Memorandum of Understanding and NZNO and MERAS members to ratify the variations as required by clause 11 above.
- 13. Te Whatu Ora will offer a variation to the terms and conditions of employment of non-union member employees covered by the Midwives' Pay Equity Claim as per Appendix 4.
- 14. The payments set out in this Memorandum of Understanding will only apply to employees whose employment agreement is varied to implement the terms of this Memorandum of Understanding in accordance with clauses 11(b) and 13 above.

Completeness

15. This Memorandum of Understanding embodies the entire undertaking and the whole agreement between the parties relating to the payments set out in this Memorandum of Understanding.

Communications

16. The parties have agreed a joint statement announcing the agreement reached in this Memorandum of Understanding which is attached as Appendix 5, and agree to honour the spirit and general content of that statement in all of their own separate communications with the public, members, other agencies and organisations. This joint statement will be released at a time to be agreed between the parties at a point following which the condition in clause 5 has been met.

Signed by the duly authorised representatives of:



Print name: Margie Apa.
For and on behalf of Te Whatu Ora

15 June 2023

Date



Print name: Caroline Conroy
For and on behalf of MERAS

Date 15th June 2023



Print name: Glenda Alexander
For and on behalf of NZNO

15 June 2023

Date

Appendix 1 – Pay rates

Registered (Core) Midwives:

	Interim rates
Step 7	96,519
Step 6	93,740
Step 5	90,980
Step 4	81,884
Step 3	77,501
Step 2	72,952
Step 1	N/A

Community Midwives:

	Interim rates
Step 8*	103,680
Step 7*	98,784
Step 6*	96,371
Step 5	92,180
Step 4	82,963
Step 3	78,523
Step 2	73,914
Step 1	N/A

Maternity Care Assistants:

	Interim rates
Step 5	61540
Step 4	59748
Step 3	58689
Step 2	55011
Step 1	51770

Caseload Midwives:

	Interim rates
Step 2	108,636
Step 1	106,809

Senior Midwives:

	Interim rates
Grade 2	87,736
-	89,454
-	93,913
Grade 3	96,575
	100,291
	107,124
Grade 4	102,146
	105,860
	112,863
Grade 5	107,716
	111,435
	118,600
Grade 6	112,372
	115,148
	122,428
Grade 7	116,001
	119,862
	124,921
Grade 8	120,028
	126,529
	133,032
	143,718

Appendix 2 – variation to MERAS MECA

Note: this variation only comes into effect if it is ratified by MERAS members **and** the corresponding variation is ratified by NZNO members within 3 weeks of the condition in clause 5 of the Memorandum of Understanding being met.

Pay equity

This collective agreement is varied to implement the terms of the Memorandum of Understanding between Te Whatu Ora, MERAS, and NZNO dated [insert MoU date] relating to the Midwives' Pay Equity Claim.

This variation comes into effect on the date that this variation has been signed by MERAS **and** the corresponding variation has been signed by NZNO.

Pay scales (as at [insert date of variation])

Registered (Core) Midwives:

	Interim rates
Step 7	96,519
Step 6	93,740
Step 5	90,980
Step 4	81,884
Step 3	77,501
Step 2	72,952
Step 1	N/A

Community Midwives:

	Interim rates
Step 8*	103,680
Step 7*	98,784
Step 6*	96,371
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Step 3	78,523
Step 2	73,914
Step 1	N/A

Maternity Care Assistants:

	Interim rates
Step 5	61540
Step 4	59748
Step 3	58689
Step 2	55011
Step 1	51770

Caseload Midwives:

	Interim rates
Step 2	108,636
Step 1	106,809

Senior Midwives:

	Interim rates
Grade 2	87736
-	89,454
-	93,913
Grade 3	96,575
	100,291
	107,124
Grade 4	102,146
	105,860
	112,863
Grade 5	107,716
	111,435
	118,600
Grade 6	112,372
	115,148
	122,428
Grade 7	116,001
	119,862
	124,921

Grade 8	120,028
	126,529
	133,032
	143,718

(Note: progression clauses are unchanged)

Employees who were in Grade 2 of the Senior Midwives' Scale will be translated to Grade 3, step 1 from 4 April 2022.

Payments

Te Whatu Ora and MERAS agree that MERAS members covered by the Midwives' Pay Equity Claim will be paid:

- a. The new pay rates set out above.
- b. Backpay on the new pay rates to 4 April 2022.
- c. A lump sum payment of \$3,000 (gross) to each employee in recognition of past work, pro-rated by:
 - i. service across the 27-month period immediately prior to 4 April 2022; and
 - ii. FTE based on the greater of contracted FTE as at 4 April 2022, and the actual hours worked (excluding overtime and call back, and up to the equivalent of 1.0 FTE) between 1 January 2020 and 4 April 2022.

For MERAS members who have not already received a pro-rated \$6,000 (gross) payment made in accordance with the Memorandum of Understanding attached to the Terms of Settlement for the MERAS collective agreement agreed in September 2021, and / or a pro-rated \$1,000 (gross) payment, the \$3,000 (gross) payment in clause (c) above will be a \$10,000 (gross) payment (less either of these payments already received).

Te Whatu Ora will take all reasonable steps to ensure that these payments are made as soon as practicable once this variation comes into effect, but the parties acknowledge that this will involve extensive payroll work and it is likely to take around 3 months before midwives receive payment.

Connection with any final settlement

The parties acknowledge that the payments set out in this clause are made in advance of any settlement of the Midwives' Pay Equity Claim. These payments are intended as being in partial satisfaction of the Midwives' Pay Equity Claim and therefore will be deducted from any payments due to employees arising out of any final settlement.

Appendix 3 – variation to NZNO MECA

Note: this variation only comes into effect if it is ratified by NZNO members **and** the corresponding variation is ratified by MERAS members within 3 weeks of the condition in clause 5 of the Memorandum of Understanding being met.

Pay equity

This collective agreement is varied to implement the terms of the Memorandum of Understanding between Te Whatu Ora, MERAS, and NZNO dated [insert MoU date] relating to the Midwives' Pay Equity Claim.

This variation comes into effect on the date that this variation has been signed by NZNO **and** the corresponding variation has been signed by MERAS.

Pay scales (as at [insert date of variation])

Registered (Core) Midwives:

	Interim rates
Step 7	96,519
Step 6	93,740
Step 5	90,980
Step 4	81,884
Step 3	77,501
Step 2	72,952
Step 1	N/A

Community Midwives:

	Interim rates
Step 8*	103,680
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Maternity Care Assistants:

	Interim rates
Step 5	61540
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Step 3	58689
Step 2	55011
Step 1	51770

Caseload Midwives:

	Interim rates
Step 2	108,636
Step 1	106,809

Senior Midwives:

	Interim rates
Grade 2	87736
-	89,454
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Grade 3	96,575
	100,291
	107,124
Grade 4	102,146
	105,860
	112,863
Grade 5	107,716
	111,435
	118,600
Grade 6	112,372
	115,148
	122,428
Grade 7	116,001
	119,862
	124,921

Grade 8	120,028
	126,529
	133,032
	143,718

(Note: progression clauses are unchanged)

Employees who were in Grade 2 of the Senior Midwives' Scale will be translated to Grade 3, step 1 from 4 April 2022.

Payments

Te Whatu Ora and NZNO agree that NZNO members covered by the Midwives' Pay Equity Claim will be paid:

- a. The new pay rates set out above.
- b. Backpay on the new pay rates to 4 April 2022.
- c. A lump sum payment of \$3,000 (gross) to each employee in recognition of past work, pro-rated by:
 - i. service across the 27-month period immediately prior to 4 April 2022; and
 - ii. FTE based on the greater of contracted FTE as at 4 April 2022, and the actual hours worked (excluding overtime and call back, and up to the equivalent of 1.0 FTE) between 1 January 2020 and 4 April 2022.

For NZNO members who have not already received a pro-rated \$7,000 (gross) payment (or have only received part of that payment) made in accordance with the Memorandum of Understanding attached to the Terms of Settlement for the NZNO collective agreement agreed in September 2021, the \$3,000 (gross) payment in clause (c) above will be a \$10,000 (gross) payment (or remaining part thereof).

Te Whatu Ora will take all reasonable steps to ensure that these payments are made as soon as practicable once this variation comes into effect, but the parties acknowledge that this will involve extensive payroll work and it is likely to take around 3 months before midwives receive payment.

Connection with any final settlement

The parties acknowledge that the payments set out in this clause are made in advance of any settlement of the Midwives' Pay Equity Claim. These payments are intended as being in partial satisfaction of the Midwives' Pay Equity Claim and therefore will be deducted from any payments due to employees arising out of any final settlement.

Appendix 4 – offer of variation to individual employment agreements

Note: this variation will only be offered to employees on individual employment agreements if the variations to the MERAS and NZNO collective agreements are ratified by union members within 3 weeks of the condition in clause 5 of the Memorandum of Understanding being met.

Note: this is a generic variation letter and will be tailored based on individual circumstances.

[Intro]

As you are aware, the work you perform is covered by the Midwives' Pay Equity Claim. Te Whatu Ora and the union parties to that claim (MERAS and NZNO) have recently reached agreement on an increase to pay rates and a lump sum payment in recognition of past work.

In order to receive the benefit of this agreement, you are offered the following variation to your individual employment agreement.

Variation

Pay scales (as at [insert date of variation])

Registered (Core) Midwives:

	Interim rates
Step 7	96,519
Step 6	93,740
Step 5	90,980
Step 4	81,884
Step 3	77,501
Step 2	72,952
Step 1	N/A

Community Midwives:

	Interim rates
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Maternity Care Assistants:

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Caseload Midwives:

	Interim rates
Step 2	108,636
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Senior Midwives:

	Interim rates
Grade 2	87736
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Grade 7	116,001
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Grade 8	120,028
	126,529
	133,032
	143,718

Employees who were in Grade 2 of the Senior Midwives' Scale will be translated to Grade 3, step 1 from 4 April 2022.

Payments

You will be paid:

- a. The new pay rates set out above.
- b. Backpay on the new pay rates to 4 April 2022.
- c. A lump sum payment of \$10,000 (gross) in recognition of past work, pro-rated in accordance with (d) below, less any lumpsum payment already received in relation to the Midwives' Pay Equity Claim.
- d. The lump sum payment in (c) above will be pro-rated by:
 - i. service across the 27-month period immediately prior to 4 April 2022; and
 - ii. FTE based on the greater of contracted FTE as at 4 April 2022, and the actual hours worked (excluding overtime and call back, and up to the equivalent of 1.0 FTE) between 1 January 2020 and 4 April 2022.

Te Whatu Ora will take all reasonable steps to ensure that these payments are made as soon as practicable once this variation comes into effect, but you acknowledge that this will involve extensive payroll work and it is likely to take around 3 months before you receive payment.

Connection with any final settlement

You acknowledge that the payments set out in this variation are made in advance of any settlement of the Midwives' Pay Equity Claim. These payments are intended as being in partial satisfaction of the Midwives' Pay Equity Claim and therefore will be deducted from any payments due to you arising out of any final settlement.

Offer of variation

If you wish to accept this variation to your employment agreement, please countersign this letter and return it to [insert] by [insert date].

If you do not accept this variation to your employment agreement, your terms and conditions of employment will remain unchanged and you will not receive the benefit of the payments set out above.

[sign off]

[employee signatory block]

Appendix 5 – Joint Statement on Midwifery Interim Pay Equity Adjustment

Te Whatu Ora, Midwifery Employee Representation & Advisory Service (MERAS) and New Zealand Nurses Organisation (NZNO) have been working together through the pay equity process.

The parties have agreed historical sex-based undervaluation exists and are in negotiations for a pay equity settlement that will address this undervaluation.

There are a number of complexities with the pay equity negotiations that the parties are working through.

In the meantime, Te Whatu Ora has offered the midwifery workforce interim pay equity pay increases and lump sum payments, with increases in pay rates to be effective from April 2022.

On XX June, Te Whatu Ora, MERAS and NZNO agreed a Memorandum of Understanding (MoU) reflecting the detail of this interim offer and how the payments will be implemented subject to ratification by affected employees.

The unions will hold paid information meetings for all affected employees in June 2023, with an online endorsement and ratification process to be completed following those meetings.

We are pleased to have reached this agreement as a partial satisfaction of the Midwives' pay equity claim. It further recognises the value our midwifery workforce delivers every day to whānau accessing midwifery care and services from Te Whatu Ora during pregnancy, birth and the postpartum period.

Te Whatu Ora, MERAS, NZNO