

## **BUSINESS PURCHASE: EMPLOYMENT DUE DILIGENCE CHECKLIST**

1. Obtain an organisation chart showing functions and reporting lines.
2. Identify key management or specialist personnel.
3. Is the business dependent on a departing owner, director or shareholder's skills or relationships?
4. Is the business dependent on any key employee certifications, licences or qualifications?
5. Obtain copies of relevant employee or worker policies.
6. In the case of an asset sale, how are employees being handled - what notice has to be given, will they be offered employment and, if so, when and on what terms? What warranties are needed from the vendor in this regard?
7. Obtain full list of employees showing:
  - 7.1 name;
  - 7.2 position;
  - 7.3 start date;
  - 7.4 current salary/wage rate;
  - 7.5 applicable benefits in excess of minimum statutory entitlements including leave, bonuses, health insurance, KiwiSaver/superannuation etc;
  - 7.6 details of any loans or training bonds in place;
  - 7.7 redundancy entitlements; and
  - 7.8 restraint of trade obligations.
8. Obtain full list of contractors and consultants showing:
  - 8.1 name;
  - 8.2 position;
  - 8.3 contractual term (including start date and notice period);
  - 8.4 payment arrangements; and
  - 8.5 restraint of trade obligations.
9. Obtain copies of employment agreements including collective agreements, contractor and consultancy agreements.
10. Details of any union involvement.
11. Details of any industrial/individual disputes, claims or complaints or any other relevant employment matters including regarding privacy with employees or past employees over the last six years (given the six-year limitation period for wage and holiday claims).
12. Details of staff turn-over during the past two years.



13. Details of health and safety management plan(s) and reporting, including any ACC claims and/or WorkSafe investigations, over the past two years (given the limitation period for WorkSafe and private prosecutions for health and safety matters).

**Our team of specialist workplace lawyers throughout the country are always happy to answer your questions, [contact us here](#)**

*Disclaimer: We remind you that while this e-resource provides commentary on employment law, health and safety and immigration topics, it should not be used as a substitute for legal or professional advice for specific situations. Please seek legal advice from your lawyer for any questions specific to your workplace*