

**IN THE EMPLOYMENT RELATIONS AUTHORITY  
CHRISTCHURCH**

CA 184/09  
5158615

BETWEEN                      RUSSELL BLICK  
   Applicant  
  
AND                              AON      NEW      ZEALAND  
   LIMITED  
   Respondent

Member of Authority:      Paul Montgomery  
  
Representatives:              Russell Blick in Person  
   Ian Tulloch, for Respondent  
  
Investigation Meeting:      21 October 2009 at Christchurch  
  
Submissions received:      On the day  
  
Determination:                22 October 2009

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**DETERMINATION OF THE AUTHORITY**

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[1]      This matter is a dispute between Mr Blick and his former employer which declined to pay the applicant a bonus for the 1 January to 31 December 2008 year.

[2]      Mr Blick resigned from his employment with the company in December 2008, his notice period ending on 9 January 2009. He says, having worked the full year, the respondent is obliged to pay him a bonus for that year.

[3]      For the respondent, Mr Tulloch declined to accept Mr Blick's argument. He acknowledged there were no performance issues in the dispute, referring to Mr Blick as a *solid tradesman*. In short, Mr Tulloch said a key criterion of the bonus scheme had not been met.

**Essential facts**

[4] Aon operates a bonus scheme for its consultant staff which runs, on an annual basis, from 1 January to 31 December in any given year.

[5] A condition of the scheme is that those eligible to participate in it must be employed by the respondent when bonuses are calculated and paid, usually in mid-February the following year.

**Analysis**

[6] There is no debate Mr Blick was eligible to participate in the scheme. He had received bonuses for the two previous years of service with the respondent. Aon says that is because, at the time the bonus pool was approved and it was decided how the pool was to be allocated, Mr Blick was still employed by the company.

[7] It is not contested the applicant worked for Aon for the full year in 2008. The company's position is *but for* Mr Blick's resignation and his departure in early January 2009, and if he continued to be employed at the time of the bonus pool distribution, he likely would have received a bonus.

[8] The scheme is quite explicitly *discretionary*, that discretion resting with the respondent. Inquiries made by the applicant on 5 November 2008 prior to his tendering his resignation resulted in the respondent advising him staff needed to be a **current** employee at the time bonuses are paid. Mr Blick clearly holds the view that this is unfair as he had contributed for the whole year to which the bonus relates.

[9] On his final day in the respondent's office, Mr Blick again raised the issue with the respondent and was referred to the relevant company documentation again confirming the terms applying to the bonus payments.

[10] While understanding Mr Blick's view he has earned a bonus for the 2008 year, the Authority has no power to vary the terms and conditions agreed between the parties. Further, in the light of Mr Blick's 5 November 2008 inquiry and the advice given him in response, he knew or ought to have known that resignation prior to any bonus payment distribution would deprive him of any such payment. That is in fact what occurred.

**Determination**

[11] This dispute is decided in favour of the respondent. The Authority is unable to assist Mr Blick further.

**Costs**

[12] No order for costs is made. Each party represented itself and is to bear its own expenses.

Paul Montgomery  
Member of the Employment Relations Authority