



## FREQUENTLY ASKED QUESTIONS & ANSWERS COVID-19 SUBSIDY AUGUST 2021

**Note: if there is any difference between the answers below and the declaration, the declaration prevails.**

Is the Wage Subsidy open for applications?

Yes, applications opened on Friday morning and are open for two weeks.

Go to the Work and Income website for more information and to apply.

<https://www.workandincome.govt.nz/covid-19/wage-subsidy/index.html>

Who can apply?

Business needs to meet the eligibility criteria and agree to meet the obligations in the declaration to be able to get a COVID-19 Wage Subsidy August 2021.

It's available to all New Zealand businesses and self-employed people that meet eligibility criteria.

This includes charities, incorporated societies and NGOs (non Government organisations)

Do businesses have to have been impacted by the change in Alert Levels?

Yes, there is a 'revenue test'.

This means the businesses need to have had (or expect to have) a minimum 40% decline in revenue in the 14-days since the Alert Level escalation (ie between 17 – 30 August 2021), when compared with their revenue during a typical 14-day period in the six weeks immediately before the Alert Level escalation.

There's an option for businesses with highly seasonal revenue as well.

The decline in revenue must be caused the move to Alert Level 4 on 17 August 2021 has had on their businesses.

Are there other criteria?

Yes there are, and there are also obligations you have to agree to. It's really important that **you read the declaration** that is part of the application. This is what you are agreeing to when you submit an application.

How much is the subsidy?

The subsidy is for two weeks, and the payment rate is:

- \$600 a week (full time – typically works 20 hours or more a week) and
- \$359.00 a week (part-time - typically works less than 20 hours a week).

Can I apply if I work for myself and don't have any employees?

Yes, if you're self-employed (which means you pay your own tax) you can apply as long as you meet the drop in revenue test and other eligibility criteria.

What information do I need?

The information you need is clearly spelt out on the Work and Income website. It's things like your business name, IR number, bank account number and contact details. If you're applying for employees you'll need their name, date of birth, IR number and whether they typically work less than 20 hours, or 20 hours or more.

**To ensure applications get processed as quickly as possible, it's important the information provided matches what is held by Inland Revenue. If it's different, applications will be held up.**

Employees need to agree to you providing their information.

How long will it take to be paid?

We'll process it as quickly as possible. We need to check the information you've given us is the same as what's held by Inland Revenue. If it isn't, there could be a delay.

We can't give you information about the status of your application over the phone. We'll be in touch as soon as we can.

If your application is not approved we'll email you to let you know.

### **Detailed questions about Wage Subsidy**

Do I need to provide evidence of the impact on my business?

You will need to prepare and keep evidence to support your declaration (but you don't need to provide this on application). You may be asked for this later, so it is important to keep it.

What about paying employees?

If you are receiving the COVID-19 Wage Subsidy August 2021, you must keep employing the employees named in your application and pay your employees in accordance with employment law. The wage subsidy is a contribution towards paying the employees named in your application.

There's a section on the website that goes into more detail about paying people

What happens after the two weeks of the Wage Subsidy?

If the Government decides to extend the wage subsidy, businesses will need to make another application. At this stage the wage subsidy is only for two weeks.

### **Other COVID payments**

What is the resurgence payment?

As well as the COVID-19 Wage Subsidy, there's also the **Resurgence Support Payment**, available through Inland Revenue. This can help with costs like rent or fixed costs for businesses who have experienced at least a 30% drop in revenue. Eligible businesses can get this and the Wage Subsidy at the same time.

Applications through Inland Revenue will open at 8am on Tuesday, 24 August.

<https://www.ird.govt.nz/covid-19/business-and-organisations/resurgence-support-payment>

What about Leave Support payment and Short Term Absence Payment?

**The Leave Support Scheme** is available for employers, including self-employed people, to help pay their employees who need to self-isolate and can't work from home because they are in one of the affected groups and have been told to self-isolate.

The **Short-Term Absence Payment** is available for businesses, including self-employed people, to help pay their workers who cannot work from home while they wait for a COVID-19 test result.

You can only get one of the payments from MSD (Wage Subsidy, Leave Support or Short Term Absence Payment) for the same employees at a time.

The payment rates for Leave Support and Short Term Absence Payment will be increased from 24 August 2021 (tomorrow) in line with the Wage Subsidy now being paid.

Note: Number to call for specific enquires is [0800 40 80 40](tel:0800408040). **We don't want people to call to just check on application status** etc.

### General information about access to food, services etc

- If people need financial help to buy food, contact Work and Income.
- If they need help to access food or get it delivered because they can't get out, family, whānau, friends and neighbours may be able to help.
- If they need food urgently, a local foodbank may be able to help.

Check the COVID-19 website for more information. There's a section about services and support at the bottom of the home page. <https://covid19.govt.nz/>

The infographic is divided into two main sections. The top section, titled 'What should I apply for when my worker (including self-employed) can't go to work or work from home?', contains two boxes. The left box, 'COVID-19 Leave Support Scheme (MSD)', features a house icon and lists: 'To help pay workers who need to self-isolate and can't work from home', 'Payment period of two weeks for those who need to self-isolate', and 'Employers can apply more than once for employees who continue to self-isolate'. The right box, 'COVID-19 Short-Term Absence Payment (MSD)', features a test tube icon and lists: 'To help pay workers who can't work from home while they wait for a COVID-19 test result', 'One-off payment of \$350.00 for each eligible worker who has to miss work and cannot work from home', and 'Has been available since 9 February 2021'. The bottom section, titled 'What should I apply for when my business has been impacted by the recent alert level change?', contains two boxes. The left box, 'COVID-19 Wage Subsidy August 2021 (MSD)', features a hand holding a coin icon and lists: 'For businesses experiencing a 40% or more decline in revenue due to the most recent change in Alert Levels' and 'Applications available from 20 August 2021'. The right box, 'Resurgence Support Payment (IRD)', features a gear icon and lists: 'For businesses experiencing a 30% or more decline in revenue each time the Alert Level is increased from Level 1', 'Available from 24 August for the alert level increase on 17 August', and 'Eligible businesses can get Resurgence support payment and the Wage subsidy at the same time'.