COVID-19 RESCUE PACKAGE: EMPLOYMENT NEED TO KNOWS

Finance Minister, Grant Robertson announced yesterday a $12.1b package to help alleviate the economic losses to both businesses and employees as a result of the COVID-19 pandemic. The package includes multiple facets, including leave payments and a wage subsidy, details of which are set out below.

COVID-19 LEAVE PAYMENTS

The purpose is to provide financial assistance for employees (including sole traders and self-employed) who are self-isolated or sick with COVID-19, or caring for others with COVID-19 and are unable to work.

How do employees access the leave payments?

- **EMPLOYERS** apply on behalf of any employee who is self-isolating or sick (use this form [https://services.workandincome.govt.nz/ess/employer_applications/new](https://services.workandincome.govt.nz/ess/employer_applications/new)).
- Employers will receive the payment, which must then be passed on to the affected employee.
- The payments will be paid to the business on a fortnightly basis once MSD receives an application.
- These payments can be backdated to 17 March 2020.

How much will the payments be?

- $585.80 per week for full time employees (20 hours or more)
- $350.00 per week for people working part time (less than 20 hours)

Who is eligible for the subsidy?

- ALL employees legally working in New Zealand (NOTE: It is only for workers who are not able to work from home during the period of self-isolation)
- Self-employed workers (use this form [https://services.workandincome.govt.nz/ess/trader_applications/new](https://services.workandincome.govt.nz/ess/trader_applications/new))
- Contractors (use this form [https://services.workandincome.govt.nz/ess/trader_applications/new](https://services.workandincome.govt.nz/ess/trader_applications/new))

What circumstances does the wage subsidy cover?

- Those who self-isolate in accordance with the public health guidelines AND who register with Healthline;
- Those who are ill with COVID-19; or
- Those who cannot work because they are caring for a dependent in either of the above circumstances
- **NOTE**: Those who choose to leave New Zealand to travel overseas WILL NOT be eligible for this payment for self-isolation on their return.

COVID-19 WAGE SUBSIDY

The purpose is to financially assist employers that are significantly impacted by COVID-19 and are struggling to retain employees, or will continue to struggle.

What are the requirements for businesses to access this subsidy?

- Employers must be able to prove that they have suffered, or are projected to suffer at least a 30% decline in revenue compared to last year for any month between January 2020 and the end of the scheme in June 2020 (an application can also be made based on the predicted revenue loss within the six-month scheme period).
- Employers will need to declare that, on their best endeavours, they will continue to employ the affected employees at a minimum of 80% of their income for the duration of the subsidy period (Note: this is equivalent of keeping people working 4 out of 5 days per week).
• Employers must be able to prove they have taken active steps to mitigate the impact of COVID-19 and sign a declaration form (example of this may be engaging a bank/financial advisor).

How do employers access the subsidy?

• Employers can apply from today (18 March 2020).
• Application must be made using a portal on the work and income website.

How much is the wage subsidy?

• $585.80 per week for full time employees (20 hours or more)
• $350.00 per week for people working part time (less than 20 hours).

How is the subsidy paid to businesses?

• It will be paid as a lump sum of $7,029.60 (for a full time employee) or $4,200 (for a part time employee), to cover 12 weeks.
• The maximum subsidy is $150,000 per business; each business only qualifies once for this subsidy.
• NOTE: The subsidy MUST be used to help pay wages ONLY, not for any other payment towards rescuing the business.

PRIVACY CONSENT FORM

To apply for the COVID-19 leave payment or wage subsidy an employer must provide the Ministry of Social Development (MSD) with the following information about their employee:

- First and Last name
- Inland Revenue number
- Date of Birth
- Number of hours you work per week/fortnight

An employee must consent to their employer providing the above information with the application (should an employee NOT consent, MSD will decline the application). No identifiable information will be published publicly. MSD will use the information provided to assess eligibility to receive the COVID-19 wage subsidy and/or the COVID-19 Leave Payment.

Please feel free to contact a member of our employment team if you would like confidential advice. We are also able to provide a template Privacy Consent form to be given to employees.