



# Employer COVID-19 wage subsidy and leave payment information sheet

18 March 2020

MSD has two payments available to support employers affected by COVID-19.

For latest details of the full range of support for businesses please visit

<https://www.employment.govt.nz/about/news-and-updates/workplace-response-coronavirus-covid-19/>

## COVID-19 Wage Subsidy

The Government has put together a COVID-19 Wage Subsidy for employers in all regions.

It's to support your business if you are impacted by COVID-19 and face laying off staff or reducing their hours because of COVID-19.

If you are an employer, contractor, sole trader or self-employed you may qualify to get the COVID-19 wage subsidy.

To qualify:

- your business must be registered and operating in New Zealand
- your employees must be legally working in New Zealand
- the business must have experienced a minimum 30% decline in actual or predicted revenue over the period of a month when compared with the same month last year, and that decline is related to COVID-19
- your business must have taken active steps to mitigate the impact of COVID-19
- you must make best efforts to retain employees and pay them a minimum of 80% of their normal income for the subsidised period.

More information on the qualifying definitions is available at

[www.workandincome.govt.nz/covid19support](http://www.workandincome.govt.nz/covid19support)

## The COVID-19 Wage Subsidy will be paid at a flat rate of:

- \$585.80 for people working 20 hours or more per week
- \$350.00 for people working less than 20 hours per week.

The subsidy is paid as a lump sum and covers 12 weeks per employee.

This subsidy is for wages only. It is to help you keep your staff employed while you consider changes that may be needed while the disruption continues, and to ensure the future viability of your business.

**The maximum subsidy** that can be paid to a business is \$150,000. Businesses can only get this subsidy once.

## COVID-19 Leave Payment

Self-isolation is an important way to slow the spread of COVID-19. From 17 March 2020 the COVID-19 Leave Payment will be available to support people financially if they need to self-isolate, cannot work because they are sick with COVID-19 or cannot work because they are caring for dependents who are required to self-isolate or who are sick with COVID-19.

The COVID-19 Leave Payment will be available for eight weeks from 17 March 2020. Employers can apply for this more than once.

It will be paid to employers who have eligible employees and they must pass the payment onto their employees **in full**.

### **To qualify:**

If you are an employer, contractor, sole trade or self-employed you may qualify to get the COVID-19 Leave Payment.

COVID-19 Leave Payment covers full-time, part-time and casual employees, and contractors who are legally working in New Zealand and who:

- need to self-isolate in line with Ministry of Health Guidelines and have registered as needing to self-isolate with Healthline, cannot work from home and their self-isolation is not because they left NZ since the travel restrictions on 16 March 2020 and have since returned, or
- cannot work because the person has been diagnosed with COVID-19, or
- cannot work because they are caring for dependents who are required to self-isolate or who are sick with COVID-19.

### **The COVID-19 leave payment will be paid at a flat rate of:**

- \$585.80 to a person working 20 hours or more per week
- \$350.00 to a person working less than 20 hours per week.

Employers receiving the payment for employees who are required to self-isolate can receive it for 14 days. As people may be required to self-isolate more than once, employers will be able to apply for this on an 'as needed' basis. It can be paid for the entire period an employee is sick (or looking after a dependent person who is sick) with COVID-19 but the employer must apply every 14 days.

### **Using paid leave entitlements or COVID-19 Leave Payment when self-isolating**

You and your employee can agree to use any form of paid leave (eg annual leave) to cover their period of self-isolation.

However, employees aren't required to have used any or all their paid leave entitlements before they can receive this payment.

### **Eligible employers and employees**

When applying for the Leave Payment the employer will consider whether:

- the employee was legally working for their employer at the time they decide to self-isolate, and
- they were expected to work for the period of self-isolation.

**Self-employed people** who are legally working in New Zealand are eligible for the payment if they:

- are usually earning the minimum wage when they decide to self-isolate, and
- were expecting to work for the period of self-isolation, and
- cannot draw an income for the period of self-isolation.

Some people aren't eligible for the payment, including:

- self-employed people not earning at least the minimum wage
- people not legally working in New Zealand.

**State sector employers cannot receive the payment** as it is expected they will pay employees their normal wages through periods of self-isolation. State sector employers include: Government agencies, crown entities eg Kāinga Ora, ACC .

The following employers can access the COVID-19 Leave Payment:

- Councils
- Kindergartens
- Early Childcare Centres
- Non-government Organisations
- Tertiary Education Institutions such as
  - Universities,
  - Polytechnics/Institutes of Technology
  - Wānanga.

### **Applying for either payment is easy**

You apply online for either the COVID-19 Wage Subsidy or COVID-19 Leave Payment at [www.workandincome.govt.nz/covid19support](http://www.workandincome.govt.nz/covid19support)

When you apply you will need to give us:

- your IRD number
- your business name
- business address
- the names of your employees
- your employee IRD numbers
- contact details for your business and your employees.

We will be processing and approving applications as quickly as we can. We are aiming to make payments five working days after we have all the information we need from you – but this will depend on the volume of applications received.

**Audits and reviews** – you will need to declare you meet the criteria for payment as part of your application. All payments will be subject to audits and reviews.

### **Other support for employers**

There is a range of support available for businesses. Here are some useful links:

- Ministry of Social Development (MSD): [workandincome.govt.nz/employers/redundancy-support](http://workandincome.govt.nz/employers/redundancy-support)
- Ministry of Business, Innovation and Employment (MBIE): <https://www.employment.govt.nz/about/news-and-updates/workplace-response-coronavirus-covid-19/>
- Ministry of Health: [www.health.govt.nz/our-work/diseases-and-conditions/covid-19-novel-coronavirus](http://www.health.govt.nz/our-work/diseases-and-conditions/covid-19-novel-coronavirus)