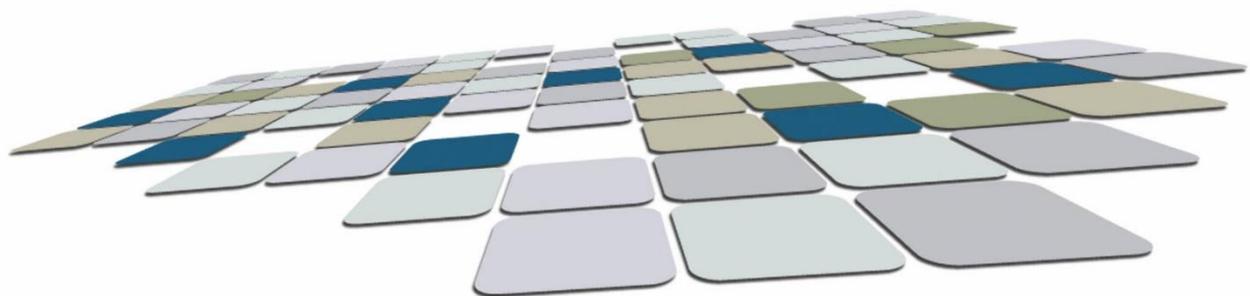




COVID-19

BUSINESS AND COMMUNITY INFORMATION AND SUPPORT



FAQs for Businesses Impacted by Covid-19

To support you, we have put together a list of FAQs for businesses impacted by COVID-19. These FAQs are around employment and business.

For health-related questions, please refer to the [Ministry of Health](#).

For government information for business: [Government Information](#).

Adviceline

Can I speak with someone to get business advice at no cost?

The Whanganui Chamber now has access to **ADVICELINE** for **free business support and advice**. This provides businesses with information on the current situation, such as applying for government assistance, etc. It is open 8am-8pm, ph: 0800 800 362. As you can imagine, this service is currently very busy, so wait time may be longer than usual.

Business Partner Programme

Is help available through the Business Partner Programme?

Yes, funding is available to support businesses with 1-1 support for HR, Health and Wellness, Continuity Planning, and Financial and Cashflow Management. Get in touch with Tim Easton, Business Growth Advisor tim.easton@whanganuiandpartners.nz

Wage Subsidy and Leave Payment

Are casual employees entitled to receive the wage subsidy?

Yes, casual employees are entitled to receive the wage subsidy. Normal hours will need to be determined by the employer.

Are those at risk, but under 70 with health conditions, covered by the leave payment?

The Wage Subsidy is to support employers to keep their staff employed while they consider changes that may be needed while the disruption continues, and to ensure the future viability of their business. If someone is required to self-isolate and cannot work from home (provided they meet the other eligibility criteria), then the employer can apply for the COVID-19 Leave Payment.

Are Wage Subsidy and Leave Payment payments subject to tax?

Advice from IRD regarding tax:

- A. The COVID-19 Wage Subsidy is not subject to GST and is not taxable. However, the payment of a person's normal wages through the use of the Subsidy is subject to the usual PAYE, Student Loan, Kiwisaver deductions, etc.
- B. The COVID-19 Leave Payment for self-isolation is not subject to GST, but is paid to replace taxable income, so is subject to tax.

Should I receive email confirmation when applying for the government Wage Subsidy and Leave Payment?

No, you will receive an email about the outcome/ details of your application once it has been processed, however.

Can you do multiple applications for the same employee as the situation changes for the Wage Subsidy and Leave Payment?

Each business can only apply once for the Wage Subsidy. The Leave Payment can be accessed on an 'as needed' basis.

If an employee has sufficient annual or sick leave entitlements to cover the time off, can they also receive the subsidy on top of receiving that entitlement?

You and your employee can agree to use any form of paid leave (e.g. 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.

Do subsidies incur PAYE tax, would all wage implications apply? eg: KiwiSaver, student loan repayments, child support, whether it would be included in gross earnings when employers go to calculate annual holidays.

Yes. In the hands of an employee the subsidy is wages and attracts on all normal obligations and deductions unless these are specifically altered by the government. This is a subsidy scheme to help employers pay wages – it doesn't change any wage implications unless other policy has been altered.

How does the Wage Subsidy work for contractors?

Same as for businesses, actual or projected losses meet the threshold criteria. Applications to MSD same as for businesses. Contractors can apply as self-employed and are required to meet the criteria. Businesses should not be seeking the wage subsidy for contractors.

Do subsidies incur PAYE tax, would all wage implications apply eg: KiwiSaver, student loan repayments, child support?

Yes. In the hands of an employee, the subsidy is wages and attracts all normal obligations and deductions unless specifically altered by the government. This is a subsidy scheme to help employers pay wages – it doesn't, change any wage implications unless other policy has been altered.

If I apply for the leave payment for staff in isolation, does their annual leave accrue as per their normal full time pay rates or will they be reduced for the lower payment value?

Their leave accrues at the normal rate.

How does the 150k limit work?

The 150k limit previously released has been removed. There is no cap for how many payments a business can receive through this scheme.

Receiving the subsidy on top of leave entitlements?

The subsidy is for business to use towards paying their staff. Staff leave accrues or is used as normal.

We are a small high growth company, how does the revenue reduction based on last year impact our year's growth and ability to apply now?

The package does not distinguish between low and high growth businesses. There is a capped lump sum based on a single rate. Businesses can use actual or forecast revenue to determine their 30% loss of income attributable to COVID-19 (they should retain a record of how they have determined this in the event of future auditing).

Can Non-profits/incorporated societies can claim the Wage and Leave Subsidy?

Charities and not for profits can apply for the scheme if they are an employer, are registered in New Zealand (business IRD number, GST registered, NZBN, or Companies office), and have an income loss of 30% attributable to COVID-19.

When will leave payments be made?

The government endeavours to pay within 5 days of application, however it depends on the evidence provided.

What is the criteria for leave payments?

Refer to the [Ministry of Social Development Fact Sheet on the Wage Subsidy and Leave Payments](#).

Essential Services

What are considered essential services?

The decision to classify as 'essential' is determined by MBIE. If you are unclear what 'essential services' are, call the dedicated MBIE questions line on 0508 377 388. If you can't get through, email essential@mbie.govt.nz.

The Wage Subsidy is available for all employers, contractors, sole traders or self-employed individuals who meet the qualification criteria on the website. There is no criteria for these subsidies related to 'essential services'.