

Memo to Clubs New Zealand Member Clubs
From Clubs New Zealand National Office
Date 18 March 2020
Subject Covid-19 Wage Subsidy and Self Isolation Support



Wage Subsidy Scheme

Wage subsidies will be available for all employers that are significantly impacted by COVID-19 and are struggling to retain employees as a result.

Wage subsidies will be available for businesses in all sectors and all regions that can show a 30 per cent decline in revenue for any month between January and June 2020 compared to the year before (including projected revenue).

Clubs wishing to claim a subsidy will need to produce comparative monthly figures to show conclusively that Revenue (Sales) have reduced by a minimum of 30% in the months between January 2020 and 9 June 2020. As we understand it the business must compare one month's revenue against the same month the previous year and the revenue in the affected month must be at least 30% less than it was in the month it was compared against (as opposed to the total period). We anticipate that a lot of our Clubs will qualify and will need to use their Accountants to assist them in preparing a claim.

The subsidy will be \$585.80 per week for a full-time employee (20 hrs or more) or \$350.00 per week for a part time employee (less than 20 hrs). The payment will be made as a lump sum for a period covering 12 weeks. This means employers will receive a payment of \$7,029.60 for a full-time employee and \$4,200 for a part time employee.

The maximum amount any one employer can receive is \$150,000.

Leave Payment

Workers and businesses have responsibilities to prevent the spread of COVID-19. The purpose of the COVID-19 leave and self-isolation scheme is to support workers financially to self-isolate, or while ill with COVID-19, where this is required so that all businesses and workers can do the right thing.

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 payments will be \$585.80 per week for full time and \$350 per week for part time workers. The COVID-19 Leave Payment will be available for eight weeks from 17 March 2020. Employers will be able to apply for this more than once.

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.

How to apply

You will need to complete the [application form](#) available on the Work and Income Website. You will need to provide Work and Income with;

- your IRD number
- your business name
- your business address
- your New Zealand Business Number (NZBN)
- the names of your employees
- your employee IRD numbers
- contact details for your business and your employees.

Work and Income are committed to processing and approving applications as quickly as possible (the aim is 5 working days)

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!

More information on who qualifies for the wage subsidy, definitions for wage subsidy qualifications, and how to apply, can be found on the Work and Income website.

[Definitions for wage subsidy qualification – highlighted for clubs](#)

[COVID-19 employer support — Work and Income](#)