

COVID-19 Financial Support Available

The government have confirmed there will be a new wage subsidy available due to this most recent lockdown as well as an additional resurgence payment.

We have outlined below the different types of financial assistance that may apply to your business if it has been impacted by the most recent lockdowns.

Please contact us directly for further information or assistance with making an application.

Resurgence support payment

Each time there is an alert level increase this payment will be activated. This means that businesses can apply more than once as a result of multiple lockdowns.

Businesses are eligible if they experience a 30% drop in revenue over a 7-day period after an alert level increase compared to a typical 7-day period in the 6 weeks before the increase in alert level.

Please note businesses must have been trading for at least 6 months to be eligible. The decline in revenue must also be a direct result of the specific alert level change and not simply due to the general effects of COVID-19.

Please also note this grant is subject to GST and needs to be included as income in your GST return.

Applications for the **14th February lockdown** are already open and **close on 22nd March**.

For the **28th February lockdown** applications will be available from **8am on 8th March**.

Applications are made via MyIR.

Wage Subsidy

The government have confirmed a wage subsidy is available to eligible businesses as a result of the current lockdown.

Businesses and the self-employed are eligible for the new wage subsidy if they experience a 40% drop in predicted or actual revenue over a consecutive 14-day period between 28th February and 21st March, compared to a typical 14-day period between 4th January and 14th February 2021 (6 weeks before the rise in alert levels).

As with the resurgence payment, businesses will need to be able to show that the revenue drop is due to the change in alert level.

The payment rate will be the same as for the previous wage subsidies.

Applications are available from 1pm **Thursday 4th March (tomorrow)** through the work and income website <https://www.workandincome.govt.nz/covid-19/wage-subsidy/index.html>

Other forms of relief available

Short term absence payment and leave support scheme

These types of payments are specifically aimed to help businesses with employees who have had to self isolate and/or have a COVID-19 test and are unable to work from home.

Further information on these payments can be found on the Work and Income website.

Recent changes to the small business cash flow loan scheme

The government also recently announced further changes to this scheme as follows:

- An extension for a further 3 years with applications available until 31 December 2023.
- New businesses (established after 1 April 2020) are now eligible to apply provided they have been in business for more than 6 months.
- The interest free period has been extended to 2 years (no repayments required during this time).
- The period of the 30% decline in revenue has been reduced to 14 days (previously 30 days).
- Businesses may be able to apply for a second loan provided the first loan has been repaid in full.

Applications for the small business cash flow loan are made via MyIR.

If you need any assistance in applying for any of the above financial support please contact your usual Chapmans advisor.