

COVID-19 Financial Support Available

The government have confirmed there will be a new wage subsidy available due to the current lockdown as well as the resurgence support payment.

Businesses can apply for both the resurgence payment and the wage subsidy provided they meet the eligibility criteria for both.

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

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 is activated. This means that businesses can apply more than once as a result of multiple lockdowns.

The criteria is the same as before and 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.

The payment is the same as before, being \$1,500 per business plus \$400 per full time employee (up to a maximum of 50). The maximum payment is \$21,500.

Sole traders can receive up to \$1,900.

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

Applications for the current lockdown will open at **8am on Tuesday 24th August**.

Applications are made through Inland Revenue 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 as a result of the lockdown.

The wage subsidy will be paid in a two week lump sum. The rates have increased to the following:

- \$600 per week for each full-time employee
- \$359 per week for each part-time employee

Applications are available from 9am **Friday 20th August (tomorrow)** through the work and income website:

<https://www.workandincome.govt.nz/about-work-and-income/news/2021/wage-subsidy-august-2021-announced.html>

It is important to note that as with previous wage subsidies the expectation is that that the subsidy is passed onto your employees.

If your business has physically closed but your employees can work from home, and you are not eligible for the wage subsidy scheme, you need to keep paying them their usual salary or wages.

Other forms of relief available

In addition to the above, there are still other forms of relief available including the short-term absence payment and leave support scheme and the small business cash flow loan scheme. Details of these are all available on the work and income website.

Please do not hesitate to contact your Chapmans advisor if you require any further assistance or support during this time.

19th August 2021