



COVID-19 SUPPORT FOR EMPLOYERS AND CONTRACTORS

To be eligible for the Wage Subsidy your actual or predicted income has to have dropped by 30% from the same month last year.

For Employers

- You can apply for the staff wage subsidy for all employees as well as yourself (if you normally receive shareholder salaries).

Note: You are expected to pay your staff 80% of their normal income if you can, but if this is not possible then you must pay them the \$585 weekly less tax and do your PAYE filing every week. You are not allowed to use any of this Wage Subsidy for anything other than paying those employees their wages.

- You can get a six month mortgage holiday. (The rules around this are still being finalised but will be organised through your bank)
- If your yearly income is between \$250,000 and \$500,000 you can apply for a bank loan of up to \$500,000.

Note: The regulations and rules around the bank loans are still being finalised but at this stage it sounds like the loan will need be paid back in 3 years and will only be available to businesses that are solvent. This will be determined by the bank. The Government will be guaranteeing 80% of these loans to protect the banks.



For Employees

If Not Made Redundant

- If you work 20 or more hours you can get \$585 per week before PAYE = \$475.79 (after 3% kiwisaver deducted and on M tax rate).

Your employer pays this to you weekly as normal. If they can they will pay you 80% of your current pay, but this may not be possible.

If Made Redundant

- You need to apply for Jobseeker benefit and can also apply for emergency help (Hardship Grants, Accommodation Supplement etc.). You can do this online.

The stand down on benefits has been removed.

- You can get a six month mortgage holiday. (The rules around this are still being finalised but will be organised through your bank)

For Contractors

- Can complete the Self Employed Application and receive the \$585 per week before tax.

If they have a company then they complete the company form and put themselves as the employee.

- Can get a six month mortgage holiday if they have one.



HOW TO APPLY FOR THE WAGE SUBSIDY – SELF EMPLOYED

- Go to the Covid19 Employer Support Website
<https://www.workandincome.govt.nz/products/a-z-benefits/covid-19-support.html#null>
- Click on the Apply For Wage Subsidy Or Leave Payment Tab
- Click on Self Employed (No Employees) tab if you are sole trader.
- On the I Am Applying Because dropdown menu select the top option (My business has been impacted by Covid19).
- Enter in your IRD number (if you are self employed this is your personal IRD number).
- On the Employment Type dropdown menu select whether you work 20+ or less than 20hrs.
- Enter in your IR customer name (This is your full name as IRD has it).
- Most sole traders do not have a NZBN number. If you do not have one just enter in 1234567890000.
- Then fill out the address, email and contact number details.
- Enter in the bank account that you want the lump sum payment to be paid into.
- Click Submit

Once you have submitted the form you will have the whole amount paid into your bank in less than 5 days.



HOW TO APPLY FOR THE WAGE SUBSIDY – EMPLOYER

- Go to the Covid19 Employer Support Website
<https://www.workandincome.govt.nz/products/a-z-benefits/covid-19-support.html#null>
- Click on the Apply For Wage Subsidy Or Leave Payment Tab
- Click on Employer Application tab.
- On the I Am Applying Because dropdown menu select the top option (My business has been impacted by Covid19).
- Enter the company's IRD number.
- Enter in the company's IR customer name (This is the company name as IRD has it).
- Enter in your NZBN number. If you don't know what it is go to <https://companies-register.companiesoffice.govt.nz/> and do a search on your company name to find it.
- Then fill out the address, email and contact number details.
- Enter in the bank account that you want the lump sum payment to be paid into.
- Enter in each employees information including their full name, date of birth, IRD number and employment type.
- Be sure to include you in the employees if you normally receive a shareholder salary so you will also be paid the subsidy.
- Click Submit



Once you have submitted the form you will have the whole amount paid into your bank in less than 5 days. You need to pay the employees weekly from this amount and continue to do the PAYE returns when you have paid them. The subsidy is non taxable income but you have to still pay PAYE on behalf of your staff each month.

It is best to put the bulk payment sideways when you get paid it so it does not get used for anything other than wage payments.