



01 JUL 2020

Tēnā koe

On 3 June 2020, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982, the following information:

- *How many people have received multiple wage subsidies based on multiple places of work?*

The Wage Subsidy scheme has enabled rapid support for thousands of New Zealand businesses during this time of uncertainty and has ensured that employees are able to remain connected with their employers during the COVID-19 lockdown. The scheme has been set up on a high-trust model, in order to quickly deliver funds to support workers, families and businesses.

As part of the Wage Subsidy application process, businesses were required to sign a declaration that they had met the scheme's eligibility criteria. The declaration is extensive and includes agreement that the details in the application may be verified with other agencies, obligations in terms of the subsidy, and consequences of non-compliance.

The Wage Subsidy is paid directly to employers at a flat rate of:

- \$585.80 for people working **20 hours or more** per week (full-time rate)
- \$350.00 for people working **less than 20 hours** per week (part-time rate).

If an employee's usual wages are less than the subsidy (for example, a part-time worker that only works 5 hours per week), their employer must pay them their usual wages; any difference must be used for the wages of other affected staff. If there are no other employees to use the subsidy for, the remaining balance should be paid back to the Ministry.

Employers are required to specify whether they are applying for the part-time or full-time rate for each employee they include in their Wage Subsidy application, not the number of hours each employee works. Once the Ministry has made the payment to the employer, it is the employer's responsibility to ensure that the appropriate rate is passed on to the affected employee. Therefore, an individual included in more than one paid Wage Subsidy application will not necessarily receive the full part-time or full-time rate of subsidy from each respective employer.

Please see **Table One** overleaf in answer to your request.

Table One: Number of employees linked to paid Wage Subsidy applications with multiple employers as at 5 June 2020.

Number of employers	Employees linked to paid Wage Subsidy applications with multiple employers
2 employers	42,412
3 employers	2,207
4+ employers	364
Total	44,983

Notes:

- Many instances of staff included in multiple wage subsidy applications involved one or more part-time jobs.
- Wage subsidy payments were made by the Ministry to employers, not to individual staff.
- Some of these 'Staff linked to wage subsidy applications with multiple employers' may have had a subsidy subsequently repaid by one or more of their employers.

The Ministry recognises that there are a number of employees that work part-time for more than one employer. The numbers of employees linked to Wage Subsidy applications with multiple employers, however, is a small proportion of employees in respect of whom a wage subsidy has been paid.

The Ministry is aware of the potential risk associated with employees being claimed by multiple employers and this is part of our audit work programme.

Where there is cause to suspect that an employer may have given false or misleading information as part of their Wage Subsidy application the Ministry may conduct an audit or investigation. If these audits result in adverse findings, the Ministry will pursue these as appropriate. In the most serious cases, where there is evidence of deliberate fraud, the Ministry will consider criminal prosecution.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter on the Ministry of Social Development's website. Your personal details will be deleted, and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response regarding the number of people receiving multiple Wage Subsidies based on multiple places of work, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Nāku noa, Nā



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