



24 OCT 2018

Dear [REDACTED]

On 3 September 2018 you wrote to the Ministry requesting, under the Official Information Act 1982, the following information:

- *Flexi wage/ Job streams information*
- *Other information relating to Flexi wage that is not on the MSD website*
- *All information relating to Flexi wage*
 - *Criteria*
 - *Policy*
 - *Guidelines*
 - *Rules*
 - *Statutory basis/ or other information*
- *Everything relating to Flexi wage that can possibly be used for Flexi wage purposes*
- *Additional or discretionary information that could be related to Flexi wage and other criteria/purposes*

In 2012, the Job Streams employment programme for Flexi-Wage and Skills for Industry were introduced to support people to transition into sustainable employment. The Flexi-Wage is paid under the Employment and Work Readiness Assistance Programme and is intended for clients who are disadvantaged within the labour market to ensure they remain in sustainable employment.

As per the email sent to you on 24 September 2018, as it stands your request for all information is very broad and substantial manual collation would be required to locate and prepare all documents within scope of your request. As such, your request for all information is refused under section 18(f) of the Official Information Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have

concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced. However, the Ministry is able to provide the following information from the Ministry's Manuals and Procedures website (Map) and internal intranet Doogle.

The Ministry publishes the guidelines used when determining eligibility for a range of programmes and payments on Map. Information regarding wage subsidies are available on Map here: www.workandincome.govt.nz/map/employment-and-training/employment-and-work-readiness-assistance/wage-subsidy-01.html. Further information regarding the Employment and Work Readiness Assistance Programme, under which Flexi-Wage is paid, is available here: www.workandincome.govt.nz/map/legislation/welfare-programmes/employment-and-work-readiness-assistance-programme/employment-and-work-readiness-assistance-programme.html.

As you can see, the guidelines for Flexi-Wage are not available on Map as they are instead held on Doogle, the Ministry's internal intranet. The following intranet pages are therefore provided for your reference:

- Flexi-Wage Basic – Homepage
- Flexi-Wage Basic – Overview
- Flexi-Wage Basic – Eligibility
- Flexi-Wage Plus – Homepage
- Flexi-Wage Plus – Overview
- Flexi-Wage Project in the Community – Homepage
- Flexi-Wage Project in the Community – Overview
- Flexi-wage – Setting the subsidy rate and payment structure
- Negotiating wage subsidies
- Flexi-wage – Process Overview

Upon reviewing this material if you identify a specific piece of information about Flexi-Wage you are interested in, you can make a new request under the Official Information Act.

The guidelines around employer viability are covered in the staff processes in the pages attached, however you will note the Employment and Work Readiness Assistance Programme does not reflect a legislative basis for decisions regarding the suitability of employers.

The Ministry is constantly looking to improve processes to provide a better service to the public. To this end, the Employment and Work Readiness Assistance Programme will be reviewed to identify any potential improvements that may be required.

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 shortly. The Ministry will do this by publishing this letter and attachments 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 Flexi-Wage, 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.

Yours sincerely



Kay Read

Group General Manager, Client Service Delivery

Home » Resources & Tools » Helping Clients » Procedures and Manuals » Work and Income » Employment and Work Readiness Assistance - Additional Information » Employment and Work Readiness Assistance Programme (EWRA) » Flexi-Wage Basic

Flexi-Wage Basic

Welcome to the Flexi-Wage Basic homepage. Click on the links below to find out more about Flexi-Wage Basic.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-basic-overview.html>

Flexi-Wage Basic – Overview <http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-basic-overview.html>

Provides an overview of Flexi-Wage Basic.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-basic-eligibility.html>

Flexi-Wage Basic – Eligibility <http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-basic-eligibility.html>

Outlines the specific eligibility criteria for Flexi-Wage Basic.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-setting-the-subsidy-rate-and-payment-structure.html>

Flexi-Wage – Setting the subsidy rate and payment structure <http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-setting-the-subsidy-rate-and-payment-structure.html>

Outlines considerations when setting the subsidy rate and duration for Flexi-Wage Basic, Flexi-Wage Plus, and Flexi-Wage Project in the Community.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/negotiating-wage-subsides.html>

Negotiating wage subsidies <http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/negotiating-wage-subsides.html>

Discusses considerations when negotiating wage subsidy with employers/sponsors.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/on-going-claims-and-contract-management.html>

On-going claims and contract management <http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/on-going-claims-and-contract-management.html>

Information about on-going claims and contract management



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-process-overview.html>

Flexi-Wage – Process overview <http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-process-overview.html>

Explains the process(es) for Flexi-Wage Basic, Flexi-Wage Plus, and Flexi-Wage Project in the Community.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-reporting.html>

Flexi-Wage - Reporting <http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-reporting.html>

Provides monthly reporting on Flexi-Wage performance



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-basic-resources.html>

Flexi-Wage Basic – Resources <http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-basic-resources.html>

Provides a list of resources relevant to Flexi-Wage Basic.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/index.html>

Employment and Work Readiness Assistance Programme (EWRA) – Homepage <http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/index.html>

Outlines the welfare programme governing employment and work readiness assistance.

Content owner: [Work and Income National Office](#) Last updated: 03 April 2017

Home » Resources & Tools » Helping Clients » Procedures and Manuals » Work and Income » Employment and Work Readiness Assistance - Additional Information » Employment and Work Readiness Assistance Programme (EWRA) » Flexi-Wage Basic » **Flexi-Wage Basic – Overview**

Flexi-Wage Basic – Overview

This page provides an overview of the Flexi-Wage Basic subsidy.

On this Page:

Flexi-Wage Basic

Flexi-Wage Basic is a wage subsidy that invests in job seekers who are disadvantaged in the job market by making a temporary contribution to their wages so they can access and maintain employment.

The amount paid and the duration of the subsidy is based on a client's needs as well as barriers to employment and reflects the level of assistance the client needs to reach the entry-level requirements of the job.

The expected outcome is that the job seeker remains employed well after the subsidy period has expired, and that the cost of achieving these outcomes is reasonable.

Flexi-Wage Basic is primarily a wage subsidy, however it can cover support and mentoring. If training is required, the [Flexi-Wage Plus](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-plus/index.html) (<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-plus/index.html>) subsidy might be more appropriate.

Flexi-Wage subsidies are available for two groups of clients to help them find jobs. These are:

clients for whom training will be inappropriate (for example, those who may have learning challenges) and for whom a subsidised job is the best option for them to move off benefit, and
clients who may already have the skills and experience they need to find work but who have been on benefit for a certain period (for example longer than 6 months).

GST is included in all subsidies and is the responsibility of the employer to manage.

Buyer created tax invoice (BCTI)

From 1 January 2014 Work and Income generate tax invoices on behalf of employers when making payments under the Scheme. If an employer provides an invoice this will be returned to them by Centralised Services with a reminder that Work and Income will generate a tax invoice on their behalf in respect of any payments under the Scheme.

Flexi-Wage Basic is provided for under Clause 2 (Wage subsidies) of the Schedule of the Employment and Work Readiness Assistance Programme.

[MAP – Wage subsidy](http://doogle/map/employment-and-training/employment-and-work-readiness-assistance/wage-subsidy-01.html) (<http://doogle/map/employment-and-training/employment-and-work-readiness-assistance/wage-subsidy-01.html>)

[MAP – Employment and Work Readiness Assistance](http://doogle/map/employment-and-training/employment-and-work-readiness-assistance/employment-and-work-readiness-assistance.html) (<http://doogle/map/employment-and-training/employment-and-work-readiness-assistance/employment-and-work-readiness-assistance.html>)

[MAP – Employment and Work Readiness Assistance Programme](http://doogle/map/legislation/welfare-programmes/employment-and-work-readiness-assistance-programme/employment-and-work-readiness-assistance-programme.html) (<http://doogle/map/legislation/welfare-programmes/employment-and-work-readiness-assistance-programme/employment-and-work-readiness-assistance-programme.html>)

More information

[Flexi-Wage Basic – Homepage](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/index.html) (<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/index.html>)

[EWRA - Homepage](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/index.html) (<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/index.html>)

Content owner: [Work and Income National Office](#) Last updated: 17 March 2017

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Flexi-Wage Plus

Welcome to the Flexi-Wage Plus homepage. Click on the links below to find out more about Flexi-Wage Plus.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-plus/flexi-wage-plus-overview.html>

Flexi-Wage Plus – Overview <http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-plus/flexi-wage-plus-overview.html>

Provides an overview of Flexi-Wage Plus.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-basic-eligibility.html>

Flexi-Wage Plus – Eligibility <http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-basic-eligibility.html>

Outlines the specific eligibility criteria for Flexi-Wage Plus.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-plus/flexi-wage-plus-training.html>

Flexi-Wage Plus – Training <http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-plus/flexi-wage-plus-training.html>

Details the training component for Flexi-Wage Plus.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-plus/flexi-wage-plus-payments.html>

Flexi-Wage Plus – Payments <http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-plus/flexi-wage-plus-payments.html>

Details payments available in relation to Flexi-Wage Plus.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-setting-the-subsidy-rate-and-duration.html>

Flexi-Wage – Setting the subsidy rate and duration

<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-setting-the-subsidy-rate-and-duration.html>

Outlines considerations when setting the subsidy rate and duration for Flexi-Wage Basic, Flexi-Wage Plus, and Flexi-Wage Project in the Community.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/negotiating-wage-subsides.html>

Negotiating wage subsidies <http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/negotiating-wage-subsides.html>

Discusses considerations when negotiating wage subsidy with employers/sponsors.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/on-going-claims-and-contract-management.html>

Ongoing claims and contract management

<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/on-going-claims-and-contract-management.html>

Information about on-going claims and contract management



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-process-overview.html>

Flexi-Wage – Process overview <http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-process-overview.html>

Explains the process(es) for Flexi-Wage Basic, Flexi-Wage Plus, and Flexi-Wage Project in the Community.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-plus/flexi-wage-plus-resources.html>

Flexi-Wage Plus – Resources <http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-plus/flexi-wage-plus-resources.html>

Provides a list of resources relevant to Flexi-Wage Plus.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/index.html>

Employment and Work Readiness Assistance Programme (EWRA) – Homepage <http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/index.html>

Outlines the welfare programme governing employment and work readiness assistance.

Content owner: [Work and Income National Office](#) Last updated: 17 March 2017

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Flexi-Wage Plus – Overview

This page provides an overview of the Flexi-Wage Plus subsidy - an additional training subsidy for people on a Flexi-Wage Basic subsidy.

On this Page:

What is Flex-Wage Plus?

Flexi-Wage Plus is a wage subsidy with the option of using some funding for other assistance that employers need, such as training, mentoring or in-work support.

The types of assistance funded through this programme are driven by what support employers tell us they need to employ clients. We work with employers and the client to ensure that most appropriate support is provided.

Flexi-Wage Plus can be used to subsidise training required by people on a Flexi-Wage Basic subsidy,

Flexi-Wage Plus helps clients reach the skill level required for the job by investing in on-the-job or external training. External training programmes should up-skill clients toward a level 3 National Qualification. The total investment can be divided between training and wage contributions.

Clients must meet the Flexi-Wage Plus eligibility criteria. For job seekers who are not eligible for a Flexi-Wage Plus subsidy, Skills for Industry might be appropriate.

Flexi-Wage Plus is provided for under Clause 2 (Wage Subsidies) of the Schedule of the Employment and Work Readiness Assistance Programme.

[MAP – Wage Subsidy \[http://doogle/map/employment-and-training/employment-and-work-readiness-assistance/wage-subsidy-01.html\]](http://doogle/map/employment-and-training/employment-and-work-readiness-assistance/wage-subsidy-01.html)

[MAP – Employment and Work Readiness Assistance \[http://doogle/map/employment-and-training/employment-and-work-readiness-assistance/employment-and-work-readiness-assistance.html\]](http://doogle/map/employment-and-training/employment-and-work-readiness-assistance/employment-and-work-readiness-assistance.html)

[MAP – Employment and Work Readiness Assistance Programme \[http://doogle/map/legislation/welfare-programmes/employment-and-work-readiness-assistance-programme/employment-and-work-readiness-assistance-programme.html\]](http://doogle/map/legislation/welfare-programmes/employment-and-work-readiness-assistance-programme/employment-and-work-readiness-assistance-programme.html)

Training and development

Flexi-Wage Plus can pay for training or development that will allow the person to develop the skills that the employer would usually expect of a new employee. Subsidies cannot be used to pay for training and development that would normally be given to new staff such as induction training.

Pre-employment training can only be provided in situations where this is linked to a guaranteed permanent employment opportunity.

More information

[Flexi-Wage Plus – Homepage \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-plus/index.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-plus/index.html)

Content owner: [Work and Income National Office](#) Last updated: 13 April 2015

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Flexi-Wage Basic – Eligibility

This page provides information on the eligibility criteria Flexi-Wage Basic. Clients must meet the eligibility criteria for the Employment and Work Readiness Assistance Programme.

On this Page:

Employment and Work Readiness Assistance Programme eligibility

Flexi-Wage Basic is provided for under Clause 2 (Wage subsidies) of the Schedule of the Employment and Work Readiness Assistance Programme.

This means that to be eligible for Flexi-Wage Basic, clients must meet the criteria for assistance under the Employment and Work Readiness Assistance Programme.

Deciding to grant

Being eligible for assistance under the Employment and Work Readiness Assistance Programme is not the same as being entitled to Flexi-Wage assistance.

Before deciding to grant any form of Employment and Work Readiness Assistance, you first need to assess and identify your client's needs. For every client you refer you must show that this particular Employment and Work Readiness Assistance is appropriate. Assistance should be targeted where the potential benefits for the client are the greatest.

[MAP – Wage subsidy \[http://doogle/map/employment-and-training/employment-and-work-readiness-assistance/wage-subsidy-01.html\]](http://doogle/map/employment-and-training/employment-and-work-readiness-assistance/wage-subsidy-01.html)

[MAP – Qualifications \[http://doogle/map/employment-and-training/employment-and-work-readiness-assistance/qualifications.html\]](http://doogle/map/employment-and-training/employment-and-work-readiness-assistance/qualifications.html)

Client eligibility

For every client you refer you must show that this particular Employment and Work Readiness Assistance is appropriate. Assistance should be targeted where the potential benefits for the client are the greatest.

To be eligible for Flexi Wage Basic a client must have a need for assistance and be:

a New Zealand citizen or permanent resident and ordinarily resident in New Zealand, and

within New Zealand's working age population, and

disadvantaged in the labour market, and

at risk of likelihood of long-term benefit receipt dependency, or

in a situation where the Regional Director or National Manager for a programme has decided that there is a need to provide assistance (in exceptional circumstances).

Although there is no specific target group, priority should be given to those who are dependent or partially dependent on Government financial assistance. **Note:** that being eligible for the scheme is not an entitlement and it should be used where it is likely to provide the greatest benefit while remaining within the funding limits.

[Employment and Work Readiness Assistance Programme \(EWRA\) – Decision making \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/ewra-decision-making.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/ewra-decision-making.html)

Employer eligibility

Employers can be private employers, public sector employers and community organisations. In general there is no reason to distinguish between the kinds of enterprise suitable for the scheme, provided they are legal, based/operating in New Zealand, viable, appropriate, and acceptable to the wider community.

Flexi-Wage Basic cannot be used for employment within the Ministry of Social Development.

Employer legal status

Employers must have an appropriate legal status before Work and Income can enter into a subsidy contract with them. An appropriate legal status is usually one of the following:

Incorporated under the Incorporated Societies Act 1908
Incorporated under the Charitable Trusts Act 1957
Incorporated under the Companies Act 1993, or
Listed under the Maori Trust Boards Act 1955 (or own specific Trust Board Act).

The legal status of an organisation can be checked by searching the Companies Office Register <http://www.companies.govt.nz> [<http://www.companies.govt.nz/>] and looking at the Company Summary page. This page will show the companies legal business name, company number, NZ business number, date of incorporation, current status (registered, struck off, etc.), entity type, postal address, directors and access to annual reports and other documents.

For Maori Trust Boards you can check their legal status under the Maori Trust Boards Act 1955 by going to www.legislation.govt.nz [<http://www.legislation.govt.nz/>]. Some Maori Trusts have their own legislation if not found under this Act.

This information must be copied and pasted into the opportunity provider CMS notes as proof that this check has been completed. If you have any doubts about the legality of the business or vacancy discuss with your manager and potentially refer to National Office.

Insolvency

In order to help you make a well informed decision on whether a prospective business or job seeker meet the Ministry and public service standards of integrity and honesty you should check the NZ Insolvency and Trustee services website [<http://www.insolvency.govt.nz/oasis3-web/oasis3/page/-oasis/domain/communications/SearchInsolvencyRegister.wdk?fromHome=Yes>]. Note that there are three types of insolvency arrangement. These are:

Summary Instalment Order (SIO)
No Asset Procedure (NAP), and
Bankruptcy.

You can search using a first name, last name or estate/SIO number or a number of additional options.

This is of particular importance due to restrictions imposed on the activities insolvent people may undertake. These include not being in business, in control of a business, self-employed, or employed by a relative or any entity owned, managed, or controlled by a relative.

Employer viability

There is no easy way to ensure that a business is viable. However, you should confirm with the employer that they can pay the first six weeks wages before the first subsidy claim is paid.

If the employer is only interested in a subsidy because they cannot afford to employ a worker then we should not be offering them a subsidy. This is because once the subsidy period ends, the employer may terminate the client's employment as they can no longer afford the client's wages. Subsidies should not be used by an employer to prop up or compensate for a failing business.

Multiple subsidies

When considering multiple subsidies for an employer you need to be convinced that the business will not be dependent on the subsidies to survive, and be satisfied that:

you are not providing financial support to the employer that will give them a significant competitive advantage over other employers in the same industry, or

the employer will be able to sustain each employee at the end of their subsidy period. That is, each employee will still have a job with the employer once their subsidy has finished.

Appropriate and acceptable to the wider community

For further information on guidelines to assist in deciding whether to accept an employment opportunity: Employment Engagement Standards - accepting and listing opportunities [<http://doogle/business-groups/helping-clients/work-and-income/what-we-do/our-teams/employment-engagement-standards/accepting-and-listing-opportunities.html>]

Note: Subsidies like Flexi-Wage Basic can be provided for political organisations where there is a permanent job for a client who is disadvantaged in the labor market.

Employer is a client

A subsidy can be paid to an employer who is also a client receiving a benefit.

You will need to look closely at their eligibility for the benefit they are receiving in relation to the business that they are running. Some benefits cannot be paid to people actively engaged in business. More information about this can be found in the Qualifications section of each main benefit.

Other considerations when the employer is a client

The expectation is that clients (employers) in receipt of a benefit should be using the business to provide an income for themselves, before considering employing other people.

Use the following guidelines to help you decide whether to pay a subsidy to employers who are clients:

Is the business viable?

If the business cannot provide sufficient income for the employer to move off benefit, will it be able to provide an income for themselves and the job seeker now and in the future?

Will the subsidy help the employee become self-sufficient past the end of the subsidy period?

If this is unlikely to happen, then the subsidy should not be approved.

If the employer is receiving a benefit where they have work or work preparation obligations can they continue to meet their own obligations when they are expected to supervise the job seeker?

Does the employer have a good reason for not being able to work in the business? For example do they have a disability and

Would employing another person increase the profit of the business enough to provide an income to both the employer and the job seeker?

Note if a subsidy is granted it is paid to the business and therefore is not treated as income for benefit purposes.

Employer is a family member

If the employer is employing their partner or child in their business, the partner or child still need to meet the eligibility criteria for Flexi-Wage Basic.

If they do meet the eligibility criteria you will need to determine the assistance required to support the client to secure the position and reach the skill level required for the position.

You may find cases where a client has worked on call or part-time for a period of prior to the Flexi-Wage Basic being negotiated. In these instances you would need to consider whether the lack of skills is still a qualifying factor and/or whether the job description is changing with the move to full-time.

Job criteria

To qualify for a subsidy the job must be:

permanent (the job will last well beyond the subsidy period), or

a project based programme agreed with Work and Income that will assist clients into unsubsidised work on completion

full-time for at least 30 hours per week for full-time work tested clients, or

part-time for at least 15 hours per week for non-work-tested clients and those who are exempt from engaging in job seeking and planned activities (unless there are exceptional circumstances), and

must pay at least the legal minimum wage. Commission only jobs are therefore unsuitable.

Note: The subsidy cannot be used for an employment placement within the Ministry or where employers have recently displaced staff from similar positions (unless it was through lawful dismissal due to misconduct).

Where a subsidy is paid for a client working less than 30 hours per week a pro-rata subsidy rate will be used.

Jobs listed by recruitment agencies

Recruitment agencies cannot be granted the Flexi-Wage subsidy for jobs they list on behalf of another employer.

[Flexi-Wage – Exceptional circumstances \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-exceptional-circumstances.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-exceptional-circumstances.html)

Training

There may be occasions when an employer will commit to hiring a client, once the client has gained the skills required for the job. When this occurs, the work broker may consider paying the training component. You must take this into consideration when negotiating the rate of payment for the subsidy with the employer.

If the training need is not identified immediately and is identified by the employer part way through a contract or within the first three months of the Flexi-Wage subsidy, then the cost can be paid as a lump sum to the employer or as an additional ongoing amount, where this is considered appropriate, as long as the total subsidy does not exceed the annual maximum subsidy rate for the 52-week period.

Additional conditions

Redundancy and holiday pay

Subsidies cannot be used to fund redundancy payments or holiday pay entitlements paid on termination of employment. However, holiday pay for annual, sick leave or statutory holidays that fall during the subsidy period can be claimed as part of the normal subsidy week.

Employment conditions

The client must be employed under an employment contract that meets or exceeds the minimum legal code for employment conditions in New Zealand. The deduction of PAYE tax and ACC levies are, by law, the responsibility of the employer. Holiday and/or sick pay may not be included in a flat hourly rate.

Tax registration

When a business has a turnover of more than \$60,000 in the past twelve months, or expects to go over \$60,000 in the next twelve months they must be registered for GST. They must also be registered for GST if their turnover is less than \$60,000 but they include GST in their prices, for example taxi drivers who have included 15% in their taxi fares.

More information

[Flexi-Wage - Process overview \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-process-overview.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-process-overview.html)

[Flexi-Wage Basic – Homepage \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/index.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/index.html)

Content owner: Work and Income National Office Last updated: 17 March 2017

Home » Resources & Tools » Helping Clients » Procedures and Manuals » Work and Income » Employment and Work Readiness Assistance - Additional Information » Employment and Work Readiness Assistance Programme (EWRA) » Flexi-Wage Project in the Community

Flexi-Wage Project in the Community

Welcome to the Flexi-Wage Project in the Community homepage. Click on the links below to find out more about Flexi-Wage Project in the Community.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-overview.html>

Flexi-Wage Project in the Community – Overview

<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-overview.html>

Provides an overview of Flexi-Wage Project in the Community.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-eligibility.html>

Flexi-Wage Project in the Community – Eligibility

<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-eligibility.html>

Outlines the specific eligibility criteria for Flexi-Wage Project in the Community.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-sponsors.html>

Flexi-Wage Project in the Community – Sponsors

<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-sponsors.html>

Provides information relating to suitable sponsor organisations for Flexi-Wage Project in the Community.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-payments.html>

Flexi-Wage Project in the Community – Payments

<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-payments.html>

Details payments available in relation to Flexi-Wage Project in the Community.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-setting-the-subsidy-rate-and-duration.html>

Flexi-Wage – Setting the subsidy rate and duration

<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-setting-the-subsidy-rate-and-duration.html>

Outlines considerations when setting the subsidy rate and duration for Flexi-Wage Basic, Flexi-Wage Plus, and Flexi-Wage Project in the Community.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/negotiating-wage-subsides.html>

Negotiating wage subsidies

<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/negotiating-wage-subsides.html>

Discusses considerations when negotiating wage subsidy with employers/sponsors.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-process-overview.html>

Flexi-Wage – Process overview

<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-process-overview.html>

Explains the process(es) for Flexi-Wage Basic, Flexi-Wage Plus, and Flexi-Wage Project in the Community.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-resources.html>

Flexi-Wage Project in the Community – Resources

<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-resources.html>

Provides a list of resources relevant to Flexi-Wage Project in the Community.



<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/index.html>

Employment and Work Readiness Assistance Programme (EWRA) – Homepage

<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/index.html>

Outlines the welfare programme governing employment and work readiness assistance.

Home » Resources & Tools » Helping Clients » Procedures and Manuals » Work and Income » Employment and Work Readiness Assistance - Additional Information » Employment and Work Readiness Assistance Programme (EWRA) » **Flexi-Wage Project in the Community – Overview**

Flexi-Wage Project in the Community – Overview

This page provides an overview of the Flexi-Wage Project in the Community subsidy.

On this Page:

What is Flexi-Wage Project in the Community?

Flexi-Wage Project in the Community is a subsidy that allows a client to participate in project-based work where they can develop work habits and general on-the-job skills.

The primary aim is to ensure that disadvantaged job seekers have opportunities to participate in project-based work where they can develop work habits and general on-the-job skills. This experience will assist individual people to progress towards sustainable employment.

Flexi-Wage Project in the Community is primarily a wage subsidy. Flexi-Wage Project in the Community can cover support and mentoring. If training is required, other service options might be more appropriate.

Flexi-Wage subsidies are available for two groups of clients to help them find jobs:

clients for whom training will be inappropriate (for example, those who may have learning challenges) and for whom a subsidised job is the best option for them to move off benefit

clients who may already have the skills and experience they need to find work but who have been on benefit for a certain period (for example longer than 6 months)

The secondary aim of Flexi-Wage Project in the Community is to assist with the completion of community or environmental projects that would not otherwise be done.

Sponsor organisations can include incorporated community groups, educational authorities, government departments and local authorities, home based care organisations and private sector employers.

The project must be for a specific task of fixed duration that does not exceed 52 weeks. The project must also be additional to the normal work of the organisation and be non-commercial. This means that it is not profit making and no one individual reaps any financial benefit. You must also ensure that the project does not displace any existing staff or contractors.

Sponsors must provide a project plan that includes full details of the project work to be undertaken, the timeframes and any training requirements and their associated costs. They must also ensure that participants are paid at least the minimum wage and that there is appropriate supervision and materials to complete the project.

Flexi-Wage Project in the Community is provided for under Clause 2 (*Wage Subsidies*) of the Schedule of the Employment and Work Readiness Assistance Programme.

[MAP – Wage Subsidy \[http://doogle/map/employment-and-training/employment-and-work-readiness-assistance/wage-subsidy-01.html\]](http://doogle/map/employment-and-training/employment-and-work-readiness-assistance/wage-subsidy-01.html)

[MAP – Employment and Work Readiness Assistance \[http://doogle/map/employment-and-training/employment-and-work-readiness-assistance/employment-and-work-readiness-assistance.html\]](http://doogle/map/employment-and-training/employment-and-work-readiness-assistance/employment-and-work-readiness-assistance.html)

[MAP – Employment and Work Readiness Assistance Programme \[http://doogle/map/legislation/welfare-programmes/employment-and-work-readiness-assistance-programme/employment-and-work-readiness-assistance-programme.html\]](http://doogle/map/legislation/welfare-programmes/employment-and-work-readiness-assistance-programme/employment-and-work-readiness-assistance-programme.html)

More information

[Flexi-Wage Project in the Community – Benefit the Community \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-benefit-the-community.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-benefit-the-community.html)

[Flexi-Wage Project in the Community – Benefit the Environment \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-benefit-the-environment.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-benefit-the-environment.html)

[Flexi-Wage Project in the Community – Homepage \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-landing-page.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-landing-page.html)

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OFFICIAL INFORMATION ACT

Home » Resources & Tools » Helping Clients » Procedures and Manuals » Work and Income » Employment and Work Readiness Assistance - Additional Information » Employment and Work Readiness Assistance Programme (EWRA) » Flexi-Wage Basic » **Flexi-Wage – Setting the subsidy rate and payment structure**

Flexi-Wage – Setting the subsidy rate and payment structure

This page provides information on considerations when setting the subsidy rate and duration for Flexi-Wage Basic, Flexi-Wage Plus, and Flexi-Wage Project in the Community. It also provides guidance on pro rata and tiered subsidies.

On this Page:

Considerations when setting the subsidy rate

The subsidy rate and duration should reflect the level of assistance required to support the client to secure a permanent position and reach the skill level required for the job.

When setting the subsidy rate for the job you should consider the client's:

- knowledge of the local labour market
- skills and educational qualifications
- work experience
- duration of unemployment
- age and
- whether the client is disabled or has ill health.

You should also consider:

- the rate of pay and the number of hours per week the employer / sponsor is offering (in most cases the subsidy offered should be below the wages paid)
- in the case of clients aged under 18 years of age, is the employer / sponsor paying youth rates. (Note - employers should make some contribution towards the cost of employing the client.)
- how often post placement support interventions will occur
- the cost of any training that will need to be paid for from Flexi-Wage Plus.

Also consider how often post placement support interventions will occur.

[Flexi-Wage Plus – Homepage \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-plus/index.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-plus/index.html)

Annual maximum subsidy amount

The maximum annual subsidy payable for Flexi-Wage Basic is the annual rate of the current adult minimum wage for up to 52 weeks. You must not exceed this limit. Training negotiated under Flexi-Wage Plus is included in the limit.

GST is included in all subsidies and is the responsibility of the employer to manage.

Combination of subsidies

The maximum amount of subsidy (or combination of subsidies eg Flexi-Wage Project in the Community and Flexi-Wage Basic) that can be paid for a client is the annual rate of the current adult minimum wage (including GST).

The exception to this is when the client has participated in Enhanced Taskforce Green.

[\[http://teamsite.ssi.govt.nz/iw-cc/command/#top1\]](http://teamsite.ssi.govt.nz/iw-cc/command/#top1)

Weekly subsidy payments

The Flexi-Wage Basic subsidy for each participant can be no more than the current adult minimum wage (including GST) for a 30 hour week, for up to 52 weeks.

GST is included in all subsidies and is the responsibility of the employer to manage.

Starting-out wage

For the following groups of clients, you may consider paying the Flexi-Wage - basic at the same rate as the starting-out wage:

16 and 17 year old clients who have not yet completed six months of continuous employment with their current employer.

18 and 19 year old clients who have been paid a specified social security benefit for six months or more, and who have not yet completed six months continuous employment with any employer since they started being paid a benefit. Once they have completed six months continuous employment with a single employer, they will no longer be a starting-out worker, and must be paid at least the adult minimum wage rate.

16 to 19 year old clients who are required by their employment agreement to undertake industry training for at least 40 credits a year in order to become qualified.

Minimum wage [<http://www.dol.govt.nz/er/pay/minimumwage/>]

Tiered subsidies

Subsidies can be tiered so that the:

employer / sponsor does not become dependent on the subsidy, and
subsidy decreases as the client's productivity increases

Example

Flexi-Wage Basic subsidy of \$16,900 (for wages and training)

10 weeks at \$380 then

10 weeks at \$250 then

6 weeks at \$150.

This would be a total of \$12,100 of the \$16,900. If the client is still in need of up-skilling the remainder can be used for any additional training identified by the employer / sponsor.

Pro-rata subsidy

When to use a pro rata subsidy

A pro rata subsidy is only available to clients with:

part-time work obligations and are working 15 hours or more per week or more

no work obligations working 15 hours or more per week or more

In exceptional circumstances it may be appropriate to pay a subsidy for a client who is working less than 15 hours per week.

Pro rata subsidies, for part-time jobs, should be calculated using the steps in the example below.

Example of a pro rata subsidy

In this example the subsidy for a full-time job (30 hours per week) is negotiated at \$220 per week. However, the client is only able to work for 18 hours per week.

Step 1. Calculate the subsidy as you would for a full time position.

In this example the full-time subsidy for 30 hours is \$220 per week.

Step 2. Divide actual hours offered (part-time hours) by 30 (standard full-time hours) to find percentage of hours offered in part-time position.

$$18/30 \times 100 = 60\%$$

Step 3. Times the percentage with the amount of subsidy calculated for the full-time position.

$$60\% \times \$220 \text{ (or } 60/100 \times \$220) = \$132$$

Step 4. Add 10% (of the full-time subsidy amount) to the part-time subsidy amount to cover administration costs.

$$10\% \times \$220 \text{ (or } 10/100 \times \$220) = \$22$$

Total pro rata subsidy would be \$154 per week (\$132 + \$22 = \$154)

[Flexi-Wage – Exceptional circumstances \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-exceptional-circumstances.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-exceptional-circumstances.html)

Subsidy extensions

Subsidies can be negotiated for up to 52 weeks as long as the subsidy does not exceed the annual maximum in a 52 week period.

Before you extend the subsidy, you should consider:

the reason that the employer / sponsor believes the client has not reached the skill level
whether all the training as agreed in the training plan had been delivered
whether any other assistance is required (such as post-placement support)

Subsidies should not be extended because the employer / sponsor cannot afford to keep the client on without the subsidy.

Example of extending a subsidy

A Flexi-Wage Basic subsidy is negotiated with an employer for six months because this is the time period it is expected that with the training and working in the job the client will reach the skill level required for the position. If after this initial six months the employer identifies that the client still requires assistance to reach the skill level required for the job, the subsidy can be extended.

Additional assistance – In Work Tax Credits

Sole parents working 20 hours or more, also qualify for In Work Tax Credit in most cases, and this can make them significantly better off. You should ensure that sole parents working less than 20 hours per week are aware of this. For more information see:

[Working for Families \(In Work Tax Credit\) - Inland Revenue Website \[http://www.ird.govt.nz/wff-tax-credits/\]](http://www.ird.govt.nz/wff-tax-credits/)

More information

[Negotiating wage subsidies \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/negotiating-wage-subsides.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/negotiating-wage-subsides.html)

[Flexi-Wage – Staircasing \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-staircasing.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-staircasing.html)

[Flexi-Wage – Late claims and backdating \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-late-claims-and-backdating.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-late-claims-and-backdating.html)

[Flexi-Wage Basic – Homepage \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/index.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/index.html)

[Flexi-Wage Plus – Homepage \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-plus/index.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-plus/index.html)

[Flexi-Wage Project in the Community – Homepage \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-landing-page.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-landing-page.html)

Content owner: [Work and Income National Office](#) Last updated: 27 May 2015

Home » Resources & Tools » Helping Clients » Procedures and Manuals » Work and Income » Employment and Work Readiness Assistance - Additional Information » Employment and Work Readiness Assistance Programme (EWRA) » **Negotiating wage subsidies**

Negotiating wage subsidies

This page discusses considerations when negotiating wage subsidies with employers / sponsors.

On this Page:

Considerations when negotiating a subsidy

Wage subsidies address a client's barriers to employment and are targeted at job seekers who need assistance to obtain work.

When a wage subsidy is being negotiated it is important the employer / sponsor understands the purpose and conditions.

Once the client and employer eligibility is met, you need to take the following factors into account when negotiating subsidies in order to make appropriate and cost effective decisions:

The funds that are available and are your Service Centre best use of products

The client's barriers to employment

The necessity of a wage subsidy to assist the client to make the transition into work

The employer's / sponsor's history of wage subsidy use and the outcomes for previous subsidised employees.

Subsequent to confirmation from the regional approver, you should discuss the subsidy with the employer either prior to confirmation of employment or as part of securing an employment placement. This discussion will include:

Subsidy rates and payment structure

Terms and conditions

The subsidy process.

Note: document all decisions in CMS – ensure that documentation is particularly thorough for any decisions which are unusual (or potentially controversial) so that an independent person can later see how and why you made that decision. Record your decision in a CMS client event note.

Other issues to consider when negotiating a subsidy

Employers / sponsors should not gain competitive advantage

Subsidies should invest in up-skilling a jobseeker to the entry-level requirements of the position. Subsidies should not result in private financial benefit or competitive advantage to the employer / sponsor due to the client being over-subsidised

Example

A receptionist job requires entry-level computer skills. Work and Income could pay for a client to undertake training before the client begins work or when the client has started the job.

A client who has been on Sole Parent Support for one year may not necessarily be classed as disadvantaged if the client has computer skills from a previous job. If a subsidy is paid, an employer / sponsor may be gaining a competitive advantage.

However, a client with poor work habits may be eligible for a short-term Flexi-Wage subsidy to help get back into a work routine and to secure a permanent position.

Subsidised clients should not replace existing employees

Work brokers should check that subsidised clients are not replacing existing employees.

Example

An employer / sponsor who has recently laid off staff (for reasons other than misconduct) should not be offered a subsidy for a new staff member.

Where possible, subsidies should attempt to create an additional job at the workplace.

Employers should not become dependent on the subsidy to keep their business financially viable

Subsidies should not be used by an employer / sponsor to compensate for a downturn in business.

Example

If the employer / sponsor is only interested in a subsidy because they cannot afford to employ a worker, Work and Income should not be offering them a subsidy, as the employer may terminate the clients employment once the subsidy period ends.

If we pay a subsidy in this case, we are allowing the employer to become dependent on the subsidy and potentially gain a competitive advantage.

Employer subsequently places client

Flexi-Wage Basic contract cannot be negotiated with an employer if that employer had subsequently placed a client (job seeker), within the term of the Flexi-Wage contract, with another employer and/or receives a placement fee.

Example

Recruitment Companies

More information

Flexi-Wage Basic – Homepage [<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/index.html>]

Flexi-Wage Plus – Homepage [<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-plus/index.html>]

Flexi-Wage Project in the Community – Homepage [<http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-project-in-the-community/flexi-wage-project-in-the-community-landing-page.html>]

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Flexi-Wage – Process Overview

This page provides the end to end process for Flexi-Wage Basic, Flexi-Wage Plus, and Flexi-Wage Project in the Community.

Process

This process is for Work Brokers or Employment Coordinators (employer facing staff).

The possibility of a subsidy should only be discussed with an employer when the candidate profiled or matched for the job would need the extra assistance to secure and sustain employment. A wage subsidy should not be offered just because the employer has asked for it. This is because the job seeker best matched for the job may not require extra assistance such as a wage subsidy.

Note: You should document all decisions in CMS – ensure that documentation is particularly thorough for any decisions which are unusual (or potentially controversial) so that an independent person can later see how and why you made that decision. Record your decision in a CMS client event note.

Stage	Steps	Tools & Forms
Client is profiled, or is the preferred applicant, for a job	1. Assess if the job seeker needs Flexi-Wage subsidy assistance to secure and remain in sustainable employment.	Flexi-Wage Basic - Eligibility [http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-basic-eligibility.html]
	2. Assess the job seeker's eligibility to Flexi-Wage under the EWRA programme.	
	3. Enter job seeker's needs and barriers into the CMS evidence screen and check eligibility. If the job seeker doesn't qualify for Flexi-Wage assistance then record decision to decline subsidy in CMS client event note type: Service Delivery - Employment and Training - Flexi-Wage (End process). If the job seeker qualifies for Flexi-Wage assistance then go to step 4.	
Employer / sponsor eligibility	4. Assess if the employer / sponsor is eligible for Flexi-Wage assistance. For example: <ul style="list-style-type: none"> • legal status • solvency • viability 	Flexi-Wage Basic - Eligibility [http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-basic-eligibility.html]
	5. Check CMS to see if employer / sponsor profile exists. If a profile exists then check profile, bank account and any existing contracts to ensure the client is not replacing previously subsidised employees.	Creating a new Opportunity Provider [http://doogle/resources/helping-clients/policies-standards/work-and-income/work-broker-standards/creating-new-opportunity-provider-profiles.html]
		Bank details form (Word 70KB) [http://doogle/documents/resources/helping-clients/forms-templates/work-and-income/forms/opportunity-provider-supplier-payee-bank-account-details-form.doc]

Stage	Steps	Tools & Forms
	<ul style="list-style-type: none"> - If a profile doesn't exist then create profile in CMS - If no bank account is attached to the profile send the bank details form. 	
	<p>6. If the employer / sponsor doesn't qualify for Flexi-Wage assistance then notify employer and add note in employer's profile in CMS (Process ends)</p> <p>If the employer / sponsor qualifies for Flexi-Wage assistance then go to step 7.</p>	
Job eligibility	<p>7. Assess if the job is eligible for Flexi-Wage assistance.</p> <p>For example:</p> <ul style="list-style-type: none"> • permanent • hours per week • wage rate. <p>8. If the job doesn't qualify for Flexi-Wage assistance then notify employer and add note in employer's profile in CMS (Process ends).</p> <p>If the job qualifies for Flexi-Wage assistance then go to step 9.</p>	<p>Flexi-Wage Basic - Eligibility http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/flexi-wage-basic-eligibility.html</p>
Pre-negotiation check	<p>9. Check with regional approver that job seeker is eligible and that the region has sufficient subsidy funding before negotiating a subsidy with an employer / sponsor and loading information into the Subsidy Management Tool.</p>	<p>Subsidy Management Tool http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/flexi-wage-basic/subsidy-management-tool.html</p>
Negotiating the subsidy	<p>10. Discuss subsidy process, terms and conditions, payment structure and negotiate subsidy level with employer / sponsor to determine an appropriate subsidy rate based on the client's skills and barriers.</p> <p>Work brokers / employment coordinators explain subsidy is GST inclusive and that tax invoice will be sent to employer automatically after the claim form has been received. The subsidy is also treated as income for tax purposes.</p> <p>11. Record decision to grant subsidy in CMS client event</p>	<p>Negotiating wage subsidies http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-work-readiness-assistance/negotiating-wage-subsides.html</p>

Stage	Steps	Tools & Forms
Pre-employment activity	<p>note type: Service Delivery - Employment and Training - Flexi-Wage.</p> <p>12. Complete placement in CMS and issue grant letter to the job seeker (Employment and work readiness assistance approved / declined letter)</p> <p>13. Contact job seeker one week prior to job start date (if applicable, as they may have already started the job) to check they are on track to start the job and offer an exit interview with a case manager if this hasn't been already offered.</p> <p>Ensure that the job seeker's benefit has been cancelled and the exit interview offered.</p> <p>Record any issues identified and support provided in CMS client event note type: Service Delivery - Employment and Training - Flexi-Wage</p> <p>14. Does the job seeker agree to post placement support?</p> <p>If the job seeker agrees to post placement support then:</p> <ul style="list-style-type: none"> • add client event note to CMS in Service Delivery - Employment and Training - Flexi-Wage • place the Post Placement Support – Work Broker programme tag on the clients CMS record. <p>Do not add the tag if the client is tagged as High Entry-Exit Client or if the client is already in the In-Work Support Trial.</p> <p>If the job seeker doesn't agree to post placement support then add a client event note in CMS under Service Delivery - Employment and Training - Flexi-Wage.</p> <p>Note: If clients opt out or opts to stop receiving PPS, the PPS continues with the employer at the agreed frequencies.</p>	<p><u>Post-Placement Support Practice Guide</u> [http://doogle/resources/helping-clients/practice/work-and-income/post-placement-support/post-placement-support-practice-guide.html]</p>
Approving the subsidy	<p>15. Complete the subsidy template form, via the Subsidy Management Tool, and submit to the Regional Approver.</p>	<p><u>Subsidy Management Tool process</u> [http://doogle/resources/helping-clients/procedures-manuals/work-and-income/employment-training/employment-and-]</p>

Stage	Steps	Tools & Forms
Issuing subsidy agreement	<p>16. The Regional Approver checks the details are correct.</p> <p>If details are correct then the Regional Approver submits the subsidy template to Centralised Services</p> <p>(The Subsidy template automatically returns to the staff member to fix and resubmit if there are any issues.)</p>	work-readiness-assistance/flexi-wage-basic/subsidy-management-tool.html
	<p>17. Centralised Services:</p> <ul style="list-style-type: none"> • checks employer / sponsor and client details • creates the CMS contract • generates and emails agreement to the employer / sponsor. 	<p>NCPU process</p> <p>http://doogle/resources/helping-clients/policies-standards/work-and-income/work-broker-standards/working-with-the-national-claims-processing-unit.html</p>
	<p>18. Employer / sponsor confirms agreement by return email to Centralised Services</p> <p>19. Employers submit their claim forms retrospectively every four weeks.</p> <p>Any claim form discrepancies are emailed to the contract manager to follow up with the employer / sponsor.</p> <p>Centralised Services process and approve all claims in CMS and payments are made via KEA directly into the employer / sponsor's bank account. Tax invoice generated and emailed to employer / sponsor.</p> <p>Note: Claims are issued in bulk and therefore not necessarily every four weeks exactly.</p>	
Post Placement Support	<p>20. The Work Broker / Employment Coordinator delivers Post-Placement Support to the client and the employer when a Flexi-Wage has been agreed.</p> <p>Note: When a Work Broker / Employment Coordinator has negotiated a Flexi-Wage subsidy, the client should not be referred to the In-Work Support trial.</p>	<p>Post-Placement Support Practice Guide</p> <p>http://doogle/resources/helping-clients/practice/work-and-income/post-placement-support/post-placement-support-practice-guide.html</p>
Post Placement Support – day one	<p>21. Contact employer after day one to provide Post-Placement Support and record</p>	

Stage	Steps	Tools & Forms
Post Placement Support – day two	<p>engagement in CMS. If you are conducting post-placement support for a subsidy / contract you are managing, open 'My Contracts' in CMS and click the 'Contract ID'. Use the template below and copy and paste employer post placement information into CMS.</p> <p>Employer post placement note template:</p> <p>Contract ID: (XXXX)</p> <p>Start date: (DD/MM/YYYY)</p> <p>End date: (DD/MM/YYYY)</p> <p>Method of contact: (Email/Phone/Visit)</p> <p>PPS stage (day one)</p> <p>Issue identified (Yes/No)</p> <p>Notes (enter any further details such as nature of any issues)</p>	
	<p>22. Contact client after day two to provide Post-Placement Support and record engagement in the client event note in CMS under Service Delivery - Employment and Training - Post-placement support.</p>	
Post Placement Support – week one	<p>23. Contact employer after week one to provide Post-Placement Support and record engagement in CMS. If you are conducting post-placement support for a subsidy / contract you are managing, open 'My Contracts' in CMS and click the 'Contract ID'. Use the template below and copy and paste employer post placement information into CMS.</p> <p>Employer post placement note template:</p> <p>Contract ID: (XXXX)</p> <p>Start date: (DD/MM/YYYY)</p> <p>End date: (DD/MM/YYYY)</p> <p>Method of contact: (Email/Phone/Visit)</p> <p>PPS stage (week one)</p> <p>Issue identified (Yes/No)</p> <p>Notes (enter any further details such as nature of any issues)</p>	

Stage	Steps	Tools & Forms
Post Placement Support – week two	<p>24. Contact client after week two to provide Post-Placement Support and record engagement in the client event note in CMS under Service Delivery - Employment and Training - Post-placement support.</p>	
Post Placement Support – week six	<p>25. Contact client after week six to provide Post-Placement Support and record engagement in CMS in the client event note in CMS under Service Delivery - Employment and Training - Post-placement support.</p> <p>Contact employer after week six to provide Post-Placement Support and record engagement in CMS. If you are conducting post-placement support for a subsidy / contract you are managing, open 'My Contracts' in CMS and click the 'Contract ID'. Use the template below and copy and paste employer post placement information into CMS.</p> <p>Employer post placement CMS note template:</p> <p>Contract ID: (XXXX)</p> <p>Start date: (DD/MM/YYYY)</p> <p>End date: (DD/MM/YYYY)</p> <p>Method of contact: (Email/Phone/Visit)</p> <p>PPS stage (week six)</p> <p>Issue identified (Yes/No)</p> <p>Notes (enter any further details such as nature of any issues)</p>	
Post Placement Support – week twelve	<p>26. Contact client after week twelve to provide Post-Placement Support and record engagement in the client event note in CMS under Service Delivery - Employment and Training - Post-placement support.</p> <p>Contact employer after week twelve to provide post-placement support and record engagement in CMS. If you are conducting post-placement support for a subsidy / contract</p>	

Stage	Steps	Tools & Forms
	<p>you are managing, open 'My Contracts' in CMS and click the 'Contract ID'. Use the template below and copy and paste employer post placement information into CMS.</p> <p>Employer post placement note template:</p> <p>Contract ID: (XXXX)</p> <p>Start date: (DD/MM/YYYY)</p> <p>End date: (DD/MM/YYYY)</p> <p>Method of contact: (Email/Phone/Visit)</p> <p>PPS stage (week xx)</p> <p>Issue identified (Yes/No)</p> <p>Notes (enter any further details such as nature of any issues)</p> <p>If the contract is longer than 12 weeks then the staff member delivers post placement support to the client and employer every 6 weeks after week 13 until the end of contract</p>	
Extending the subsidy	<p>27. If an extension is required on the contract, a new template will need to be completed. Ensure you note the Additional Information field with:</p> <ul style="list-style-type: none"> • contract number • reason for extension. <p>Note: The start date for the extension should generally be the day after the original expected end date of the contract.</p> <p>If the contract extension is approved, the Regional Approver needs to approve the template in the usual way.</p> <p>Extensions must not extend past at weeks in duration.</p> <p>Note: The staff member to carry out this step should be the same person that delivered the post placement support.</p>	
Post Placement Support – end of contract	<p>28. Arrange for an end of contract meeting with client and employer within 4 weeks of contract end date and record engagement details in CMS.</p>	

Stage	Steps	Tools & Forms

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