



29 MAR 2021

On 25 February 2021, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982, the following information regarding the COVID-19 Wage Subsidy:

The following for each of the days 27 March, 30 March, 1 April and 2 April 2020:

- 1. Eligibility Requirements to be able to claim the 12 week subsidy;*
- 2. The text of the employer declaration that had to be agreed to before an employer could receive the subsidy;*
- 3. The procedure for dealing with an employee that had already been given a redundancy notice; and*
- 4. The procedure for dealing with an employee that had already been made redundant.*
- 5. When providing this information please would you present it so that we can see clearly what information relates to each of the above dates separately, including electronic copies of the relevant web pages would be appreciated.*

The Wage Subsidy 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 Government has previously made it clear that the Wage Subsidy scheme was set up on a high-trust model, in order to deliver funds to support workers, families and businesses.

For clarity, your questions are addressed in turn below.

1. Eligibility Requirements to be able to claim the 12 week subsidy;

As you may know, the COVID-19 Wage Subsidy eligibility requirements were changed at 4pm on 27 March 2020. Applicants were bound by the eligibility criteria at the time of their application, so the change would not have affected any applications made before that time.

Please see the two screenshots of the Work and Income website attached to this response letter, taken from 25 March 2020 and 2 April 2020, courtesy of the National Library's web harvesting service. These are the only two harvests that were run around this time, and show the information that was publicly available both before and after the COVID-19 Wage Subsidy eligibility requirement changes were made.

The most recent eligibility requirements for the COVID-19 Wage Subsidy March 2021 are available on the Work and Income website, and can be accessed at the following link: www.workandincome.govt.nz/covid-19/wage-subsidy/who-can-get-it.html.

2. *The text of the employer declaration that had to be agreed to before an employer could receive the subsidy;*

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

The Wage Subsidy was modified on 27 March 2020 to ensure employers are passing on the full subsidies to workers. As a result, the Employment Declaration changed.

The different versions of the Wage Subsidy declarations are publicly available, and can be found on the Ministry's website at the following links:

- www.workandincome.govt.nz/online-services/covid-19/declaration-wage-subsidy.html (for the original Wage Subsidy on or after 4pm 27 March 2020).
- www.workandincome.govt.nz/online-services/covid-19/wage-subsidy-declaration.html (for the original Wage Subsidy before 4pm 27 March 2020).
- www.workandincome.govt.nz/online-services/covid-19/declaration-wage-subsidy-extension.html.
- www.workandincome.govt.nz/online-services/covid-19/declaration-resurgence-wage-subsidy.html.

3. *The procedure for dealing with an employee that had already been given a redundancy notice; and*
4. *The procedure for dealing with an employee that had already been made redundant.*

Given that employers could only apply for the COVID-19 Wage Subsidy in regard to current employees, there was no specific information regarding the treatment of an employee who has already completed their redundancy notice period and is no longer working for the employer.

Information in regard to how the COVID-19 Wage Subsidy is affected in the event an employer makes an employee redundant, was made publicly available on the Work and Income website on 31 March 2020 at the following link:

www.workandincome.govt.nz/map/employment-and-training/specific-employment-related-assistance/covid-19-wage-subsidy-modified/employer-makes-employee-redundant.html.

This information was made available after the consolidated Wage Subsidy was introduced on 27 March 2020, and so the information available has remained the same. There is no record of prior entries on the Work and Income Website regarding redundancies where the COVID-19 Wage Subsidy is concerned.

You will also note that, within the Wage Subsidy declaration links provided in the previous question, employers are obliged to declare that at the date of their application, each of the employees named in their application is legally employed by their business, is employed in New Zealand, and has not been given notice of redundancy.

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 and attachments on the Ministry'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 COVID-19 Wage Subsidy, 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.

Ngā mihi nui



Bridget Saunders
Manager
Issue Resolution, Service Delivery

Printed from: <https://ndhadeliver.natlib.govt.nz/webarchive/wayback/20200325061939/https://www.workandincome.govt.nz/products/a-z-benefits/covid-19-support.html>

Printed: 5 March 2021

COVID-19

COVID-19 employer support

We have a Wage subsidy and Leave Payment available to support employers affected by COVID-19.

Last updated: 25 March 2020

Large employers

If you have more than 100 employees, we know the current COVID-19 Wage Subsidy form may be hard for you to use due to the number of employees you have. Please follow the instructions on [the Large employer page](#) ^(Link 1) if you want to make an application for the COVID-19 Wage Subsidy.

Making application

Due to very high demand, you may have issues making your application. We're processing these as quickly as possible, so please keep trying. If you have questions about details of the wage subsidy or leave payment you can call us on [0800 40 80 40](tel:0800408040) ^(Link 2)

Wage Subsidy cap removed

The Government has removed the cap on wage subsidies that can be paid to employers affected by COVID-19. The cap of \$150,000 per business is gone.

This applies to all New Zealand employers, contractors, sole traders, self-employed people, registered charities and incorporated societies. You are now able to apply for a wage subsidy for all your staff.

If you have already applied for and been granted the wage subsidy for your employees and MSD has capped the amount paid, you don't need to do anything because we will top up the difference.

If you have applied for the wage subsidy for your staff, and claimed only enough to meet the cap, once you have used this subsidy, you can reapply.

If you are yet to apply, you can do this under the 'Apply for Wage Subsidy or Leave Payment' heading below.

Wage Subsidy

The Government has put together a COVID-19 Wage Subsidy for employers in all regions.

It's to support your business if you're impacted by COVID and face laying off staff or reducing their hours because of COVID-19.

Who can get it

If you're an employer, contractor, sole trader or self-employed, you may qualify to get the COVID-19 wage subsidy.

To qualify:

- your business must be registered and operating in New Zealand
- your employees must be legally working in New Zealand
- the business must have experienced a minimum 30% decline in actual or predicted revenue over the period of a month when compared with the same month last year, and that decline is related to COVID-19
- your business must have taken active steps to mitigate the impact of COVID-19
- you must make best efforts to retain employees and pay them a minimum of 80% of their normal income for the subsidised period.

For definitions of these qualifications, see the information under the 'Definitions for Wage Subsidy qualifications' heading on the page below.

How much you can get

The COVID-19 Wage Subsidy will be paid at a flat rate of:

- \$585.80 for people working 20 hours or more per week

This subsidy is for wages only. It is to help you keep your staff employed while you consider changes that may be needed while the disruption continues, and to ensure the future viability of your business.

Businesses can only get this subsidy once.

[More information on our common employer questions page](#) ^(Link 3).

Leave Payment

Self-isolation is an important way to slow the spread of COVID-19. From 17 March 2020 the COVID-19 Leave Payment will be available to support people financially if they:

- need to self-isolate (as determined by the [Ministry of Health guidelines](#) ^(Link 4)),
- cannot work because they are sick with COVID-19, or
- cannot work because they are caring for dependents who are required to self-isolate or are sick with COVID-19.

The COVID-19 Leave Payment will be available for 8 weeks from 17 March 2020. Employers will be able to apply for this more than once.

It will be paid to employers who have eligible employees and they must pass the payment onto their employees in full.

Who can get it

If you're an employer, contractor, sole trader or self-employed, you may qualify to get the COVID-19 Leave Payment.

COVID-19 Leave Payment covers full-time, part-time and casual employees, and contractors who are legally working in New Zealand and who:

- need to self isolate in line with Ministry of Health Guidelines and have registered as needing to self-isolate with Healthline, cannot work from home and their self-isolation is not because they left NZ since the travel restrictions on 16 March 2020 and have since returned or
- cannot work because the person has been diagnosed with COVID-19 or
- cannot work because they are caring for dependents who are required to self-isolate or who are sick with COVID-19

How much you can get

The COVID-19 leave payment will be paid at a flat rate of:

- \$585.80 to a person working 20 hours or more per week
- \$350.00 to a person working less than 20 hours per week.

Employers receiving the payment for employees who are required to self-isolate can receive it for 14 days. As people may be required to self-isolate more than once, employers will be able to apply for this on an 'as needed' basis. It can be paid for the entire period an employee is sick (or looking after a dependent person who is sick) with COVID-19 but the employer must apply every 14 days.

Using paid leave entitlements or COVID-19 Leave Payment when self isolating?

You and your employee can agree to use any form of paid leave (eg annual leave) to cover their period of self-isolation.

However, employees aren't required to have used any or all their paid leave entitlements before they can receive this payment.

Eligible employers and employees

When applying for the Leave Payment the employer will consider whether:

- the employee was legally working for their employer at the time they decide to self-isolate; and
- they were expected to work for the period of self-isolation.

Self-employed people who are legally working in New Zealand can get this payment for themselves if they were expecting to work for the period of self-isolation.

State sector employers cannot receive the payment as it is expected they will pay employees their normal wages through periods of self-isolation.

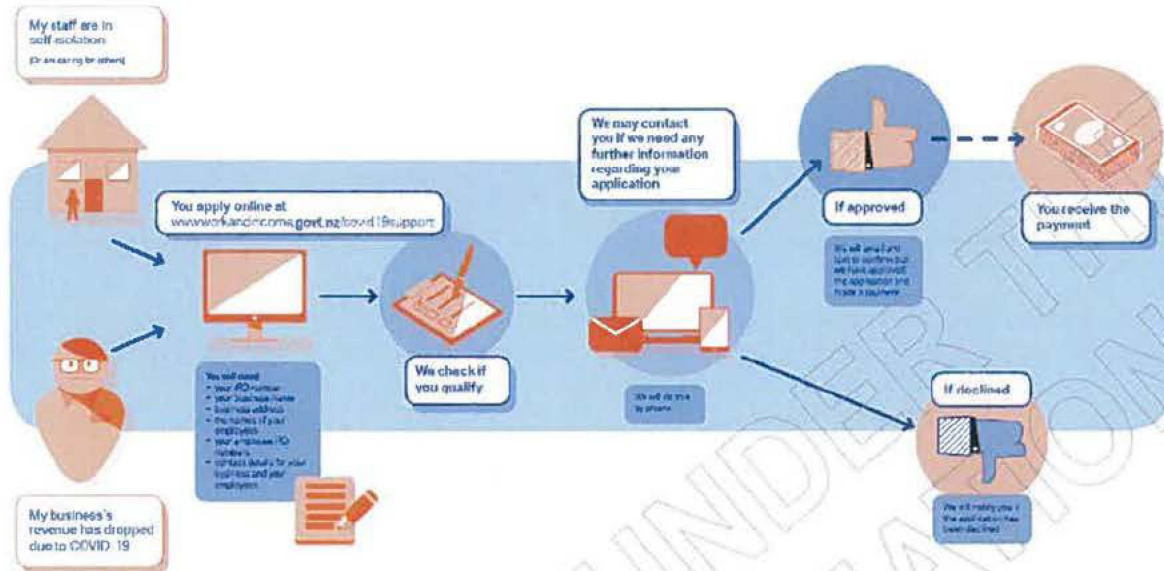
State sector employers include:

- Government agencies
- Crown entities eg Kāinga Ora, ACC
- Schools
- Tertiary Education Institutions
 - Universities
 - Polytechnics/Institutes of Technology
 - Wananga

The following employers can access the COVID-19 Leave Payment:

• Non-Government organisations

Application process



(Link 5)

You can click on the image to enlarge it.

Text version of the image

1. Your situation is either:
 - your staff are in self-isolation (or caring for others), or
 - your business's revenue has dropped due to COVID-19.
2. You can apply online and you will need:
 - your IRD number
 - your business name
 - business address
 - the names of your employees
 - your employee IRD numbers
 - contact details for your business and your employees.
3. We will then check if you qualify.
4. We may contact you if we need further information regarding your application. We'll do this by phone.
5. If it's:
 - approved:
 - we'll email and text to confirm that we have approved the application and made a payment
 - you receive the payment
 - declined, we'll notify you.

If you have any questions about these payments, give us a call on 0800 40 80 40.

Apply for Wage Subsidy or Leave Payment

Each business can only apply once for the Wage Subsidy.

You need to make sure your business and employee details are up-to-date with Inland Revenue (IR).

What form you fill out depends on whether you have people working for you or not.

You have people working for you

When you apply you will need to give us:

- name
- address
- contact details
- your employee details (include full-time and part-time employees in the same application):
 - names
 - IRD numbers
 - contact details.

[Employer application](#) (Link 7)

 [Privacy information for employees \(PDF 474.43KB\)](#) (Link 8)

You don't have people working for you

When you apply you will need to give us your:

- IRD number
- business name
- business address.

[Self-employed \(no employees\) application](#) (Link 9)

What happens next (including timeframes)

We'll be processing and approving applications as quickly as we can.

We're aiming to make payments 5 working days after we have all the information we need from you – but this will depend on the volume of applications received.

We'll text and email you once the payment is made.

Your bank will use a specific reference depending on what payment you've applied for:

- Wage Subsidy - MSD COVID19W
- Leave Payment - MSD COVID19L

Audits and reviews

You will need to declare you meet the criteria for payment as part of your application. All payments will be subject to audits and reviews.

Definitions for Wage Subsidy qualifications

What does registered and operating in New Zealand mean?

This means that a business is:

- registered with the New Zealand Companies Office, and
- physically located in New Zealand, and
- their employees legally work in New Zealand.

Sole traders

Sole traders are not required to be registered with the New Zealand Companies Office, but must have:

- a personal IRD number for paying income tax and GST, and
- government licences and permits for their business needs, and
- qualifications or registrations for their trade or profession.

Sole traders must still meet the requirements to be physically located and legally working in New Zealand.

What does legally working in New Zealand mean?

Legally working in New Zealand means a person is both working in New Zealand and is legally entitled to work in New Zealand. A person is legally entitled to work in New Zealand if they:

- are a New Zealand or Australian citizen (including a person born in the Cook Islands, Niue or Tokelau), or

For more information, see: <https://www.employment.govt.nz/starting-employment/right-to-work-in-new-zealand/>

What does a 30% decline in revenue mean?

This means a business has experienced a 30% decline in:

- actual revenue, or
- predicted revenue (e.g. for businesses who have seen a reduction in bookings such as accommodation providers), and
- that decline is related to COVID-19.

The business must experience this decline between January 2020 and 9 June 2020.

Definition of revenue

Revenue means the total amount of money a business has earned from its normal business activities, before expenses are deducted.

Determining a decline in revenue

To determine a decline in revenue, the business must compare one month's revenue against the same month the previous year (e.g. February 2020 compared with February 2019). The revenue of the month in the affected period must be at least 30% less than it was in the month it was compared against.

Businesses operating for less than a year

Where a business has been operating for less than a year, they must compare their revenue against a previous month that gives the best estimation of the revenue decline related to COVID-19.

What are active steps to mitigate the impact of COVID-19?

A business must take active steps to mitigate the financial impact of COVID-19 on their business. This could include activating their business continuity plan and seeking advice and support from:

- their bank
- the Chamber of Commerce
- a relevant industry association
- the Regional Business Partner programme.

What does retaining affected staff mean?

Employers are required to agree that, for the duration of the subsidy, they will make best efforts to:

- retain the employees the subsidy was paid for, and
- pay those employees a minimum of 80% of their normal wage or salary.

Employer obligations

The subsidy is being administered under a high trust model and employers will not be asked for verification before the subsidy is approved. However MSD will have the ability to check applications and verify information at a later date. Where false or misleading information has been provided, employers can be subject to fraud investigation.

To receive the COVID-19 Wage Subsidy, the employer must agree:

- that they meet the following subsidy eligibility criteria:
 - the business is registered and operating in New Zealand
 - their business has experienced a minimum 30% decline in actual or predicted revenue over the period of a month when compared to the same month last year (or a reasonably equivalent month for a business operating less than a year) and that revenue loss is attributable to the COVID-19 outbreak
 - they have taken active steps to mitigate the financial impact of COVID-19 on their business activities
 - the employer will make best endeavours to retain the named employees and pay them a minimum of 80% of their normal wages or salary for the duration of the subsidy
- the employer has discussed the application with the named employees, who consent to the information in the application:
 - being provided to MSD; and
 - being used by MSD, and shared with other agencies, to make decisions about the application, and to review and audit any subsidy granted
- the employer consents to the information in the application being verified with other agencies
- the employer is aware that they may be audited, and if they provide false or misleading information, they may be investigated for fraud
- the employer will notify if circumstances change that affect their eligibility
- the employer will repay any amount to which they are not entitled

Reviewing decisions to decline the subsidy

Decisions to decline the COVID-19 Wage Subsidy are not made under the Social Security Act 2018 and are not covered by the usual Review of Decision guidelines.

- whether the appropriate options and implications were considered, and
- whether the decision was made at the appropriate level of delegation.

Download the factsheet

You can download and print a factsheet with the Wage Subsidy and Leave Payment information on this page.

 [Wage Subsidy and Leave Payment factsheet - updated 25 March \(PDF 139.57KB\)](#) (Link 10)

Related links

[Govt.nz - Information on COVID-19 including health, travel, education](#) (Link 11)

[Employment NZ - Workplace response to COVID-19](#) (Link 12)

[Ministry of Health - latest updates, information and advice on COVID-19](#) (Link 13)

[Information for employers considering redundancies](#) (Link 14)

[Beehive - \\$12.1 billion support for New Zealanders and business](#) (Link 15)

Index of page links

1. <https://ndhadeliver.natlib.govt.nz/webarchive/wayback/20200325061939/https://www.workandincome.govt.nz/products/a-z-benefits/covid-19-large-employers.html>
2. tel:0800
3. <https://ndhadeliver.natlib.govt.nz/webarchive/wayback/20200325061939/https://www.workandincome.govt.nz/products/a-z-benefits/employer-questions-and-answers.html>
4. <https://ndhadeliver.natlib.govt.nz/webarchive/wayback/20200325061939/https://www.health.govt.nz/our-work/diseases-and-conditions/covid-19-novel-coronavirus/covid-19-novel-coronavirus-health-advice-general-public/covid-19-self-isolation>
5. <https://ndhadeliver.natlib.govt.nz/webarchive/wayback/20200325061939/https://www.workandincome.govt.nz/images/products/a-z-benefits/covid19/covid-19-support-application-process.png>
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15. <https://ndhadeliver.natlib.govt.nz/webarchive/wayback/20200325061939/https://www.beehive.govt.nz/release/121-billion-support-new-zealanders-and-business>

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[COVID-19](#)

COVID-19 Wage Subsidy

We have a wage subsidy available to support employers affected by COVID-19.

We're working to pay the Wage Subsidy as quickly as we can.

[Read the information about our payment timeframes](#)

Last updated: 28 March 2020

Information has been added to this page to clarify how to [pay your staff](#).

If you've already applied for a COVID-19 Wage Subsidy, you do not need to re-apply.

Changes from 27 March

Leave Payment

From 3pm on 27 March 2020, the COVID-19 Leave Payment is no longer available for employers. Applications already submitted will continue to be processed and paid.

[COVID-19 Leave Payment](#) (Link 1)

Wage Subsidy obligations

We've also made some changes to the obligations for the Wage Subsidy. You can read these in the declaration page. You'll also need to agree to these in the application form.

[COVID-19 Wage Subsidy declaration page](#) (Link 2)

Who can get the Wage Subsidy

All New Zealand employers who have been adversely affected by COVID-19 are eligible to apply. This includes:

- registered charities
- Non-government organisations (NGOs)
- the self-employed and sole traders
- contractors
- incorporated societies, and
- post-settlement governance entities.

If you're an employer, contractor, sole trader or self-employed, you may qualify to get the COVID-19 wage subsidy.

To qualify:

- your business is registered and operating in New Zealand
- your employees are legally working in New Zealand, including employees who:
 - have a NZ work visa
 - have a condition on their NZ temporary visa that allows them to work in NZ
 - are international students whose visa allows them to work in NZ
- the business has experienced a minimum 30% decline in actual or predicted revenue over the period of a month, when compared with the same month last year, and that decline is related to COVID-19

For definitions of these qualifications, see the information under the 'Definitions for Wage Subsidy qualifications' heading on the page below.

What you can get

The COVID-19 Wage Subsidy will be paid 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).

The subsidy is paid as a lump sum and covers 12 weeks per employee.

Hours fluctuate

If you work variable hours (or your employee does), you can use an average to work out what rate to apply for.

Use the average hours worked each week:

- over the last 12 months, or
- over the period of time you (or they) have been employed (if it's less than 12 months).

If the average hours are:

- 20 or more, apply for the full-time rate
- less than 20, apply for the part-time rate.

Apply for Wage Subsidy

Please make sure the details you provide match with those held by Inland Revenue.

Differences will slow down your application and may result in it being declined.

You can't apply for the same employee twice. You can only apply for employees you haven't already applied for.

What form you fill out depends on whether you have people working for you or not.

You'll be asked to declare you meet the criteria and agree to the obligations for the use of the subsidy.

You have people working for you

When you apply you will need to give us:

- your business IRD number
- your New Zealand Business Number (NZBN) if you have one
- your business:
 - name
 - address
 - contact details
- your employee details (include full-time and part-time employees in the same application):
 - names
 - date of birth
 - IRD numbers
 - employment type (whether they are full-time or part-time).

[Employer application](#) ^(Link 3)

Large employer

If you're a large employer (eg 100 employees), we know the application form may be hard for you to use due to the number of employees you have. Follow the instructions on [this page](#) ^(Link 4) to make your application.

Privacy information for employees

You don't have people working for you

When you apply you will need to give us your:

- IRD number
- business name
- business address.

[Self-employed \(no employees\) application](#) ^(Link 6)

Processing and payment timeframes

We're working to pay the Wage Subsidy as quickly as we can.

We need to check the information you've given us is the same as what's held by Inland Revenue. If it isn't, there could be a delay.

We'll text or email you once the payment has been made. Your bank will use a specific reference - MSD COVID19C

We cannot give you information about the status of your application over the phone. We'll be in touch as soon as we can.

Audits and reviews

You will need to declare you meet the criteria for payment as part of your application. All payments will be subject to audits and reviews.

Paying your staff

If you are receiving the COVID-19 Wage Subsidy, you must try your hardest to pay the employee named in your application, at least 80% of their usual wages. If that isn't possible, you need to pay at least the subsidy rate (ie, full-time or part-time).

If your employee's usual wages are less than the subsidy, you must pay them their usual wages. Any difference should be used for the wages of other affected staff - the wage subsidy is designed to keep your employees connected to you.

Visit the Employment NZ website for information about employment law.

[Employment New Zealand](#) ^(Link 7)

GST and tax

Businesses

Information about GST, PAYE and income tax if you're a business.

GST

You don't have to pay GST on the wage subsidy.

PAYE

Your employee will need to pay tax on their wage subsidy payment as it's paid to them as part of their normal wages. This means it's subject to the usual employer deductions, eg, PAYE, Student Loan, KiwiSaver, Child Support etc.

When calculating PAYE deductions, do not gross up the Wage Subsidy component. PAYE is deducted from the subsidy (i.e. \$585.50 less PAYE, etc).

You can agree with your employee the frequency at which the subsidy is paid. However, if the subsidy is being paid outside of their usual pay cycle this might have adverse tax implications for your employees such as:

- they may be taxed at the wrong rate
- it may impact Working for Families entitlements.

Income tax

For most businesses, the Wage Subsidy is classified as "excluded income" for income tax purposes. This means that as a business you don't pay income tax on the Wage Subsidy you receive from MSD. You don't get an income tax deduction for the wages you pay using the Wage Subsidy. You still need to make the usual PAYE deductions when you pass it onto your employee.

Self-employed

If you're self-employed, you need to pay income tax on the COVID-19 Wage Subsidy you receive, as it's a payment to replace a loss of earnings.

[Wage Subsidies](#) (Link 8)

Repaying the Wage Subsidy

When you need to repay the subsidy

You need to repay some or all the COVID-19 Wage Subsidy if:

- you no longer meet the criteria for the subsidy
- you're not meeting your obligation to use the subsidy to retain and pay your employees
- you've received insurance (eg, business continuity insurance) for any costs covered by the subsidy
- you provided false or misleading information in your application.

You can check the obligations here.

[Obligations if you applied before 4pm on 27 March](#) (Link 9)

[Obligations if you applied on or after 4pm on 27 March](#) (Link 10)

You can also make a repayment if you think you need to pay back some or all of the COVID-19 Wage Subsidy. This could be because you were overpaid or made a mistake on your application.

How to repay the subsidy

You can email us at COVID19subsidy_overpayment@msd.govt.nz (Link 11) with your:

- business name
- IRD number
- New Zealand Business Number (NZBN), if you have one
- phone number
- email address
- postal address.

You'll also need to tell us:

- the amount you need to refund
- why you want to refund it.

Once we've received your email, we'll contact you to confirm the refund amount and how you can make the repayment.

Definitions for Wage Subsidy qualifications

What does registered and operating in New Zealand mean?

This means that a business is:

- registered with the New Zealand Companies Office, and
- physically located in New Zealand, and
- their employees legally work in New Zealand.

Sole traders

Sole traders are not required to be registered with the New Zealand Companies Office, but must have:

- a personal IRD number for paying income tax and GST, and
- government licences and permits for their business needs, and
- qualifications or registrations for their trade or profession.

Sole traders must still meet the requirements to be physically located and legally working in New Zealand.

What does legally working in New Zealand mean?

Legally working in New Zealand means a person is both working in New Zealand and is legally entitled to work in New Zealand. A person is legally entitled to work in New Zealand if they:

- are a New Zealand or Australian citizen (including a person born in the Cook Islands, Niue or Tokelau), or
- have a New Zealand residence class visa, or

What does a 30% decline in revenue mean?

This means a business has experienced a 30% decline in:

- actual revenue, or
- predicted revenue (e.g. for businesses who have seen a reduction in bookings such as accommodation providers), and
- that decline is related to COVID-19.

The business must experience this decline between January 2020 and 9 June 2020.

Definition of revenue

Revenue means the total amount of money a business has earned from its normal business activities, before expenses are deducted.

Determining a decline in revenue

To determine a decline in revenue, the business must compare one month's revenue against the same month the previous year (e.g. February 2020 compared with February 2019). The revenue of the month in the affected period must be at least 30% less than it was in the month it was compared against.

Businesses operating for less than a year or have high growth

New businesses which have been operating less than a year or high growth businesses (e.g. that have had a significant increase in revenue) can apply for the Wage Subsidy. To determine whether these businesses meet the 30% decline in revenue assessment, they must compare their revenue against a previous month that gives the best estimation of the revenue decline related to COVID-19. E.g. 30% loss of revenue attributable to COVID-19 comparing January 2020 to March 2020.

What are active steps to mitigate the impact of COVID-19?

A business must take active steps to mitigate the financial impact of COVID-19 on their business. This could include:

- drawing from your cash reserves (as appropriate)
- activating your business continuity plan
- making an insurance claim
- proactively engaging with your bank
- seeking advice and support from:
 - the Chamber of Commerce
 - a relevant industry association
 - the Regional Business Partner programme.

What does retaining affected staff mean?

Employers are required to agree that, for the duration of the subsidy, they will make best efforts to retain the employees the subsidy was paid for.

If you are receiving the COVID-19 Wage Subsidy, you must:

- Try your hardest to pay staff at least 80% of their usual wages;
 - If that isn't possible, pay at least the rate of the subsidy that applies to that employee
- If the employee's usual wages are lower than the rate of the subsidy, continue paying that amount for the duration of the subsidy.

Reviewing decisions to decline the subsidy

Decisions to decline the COVID-19 Wage Subsidy are not made under the Social Security Act 2018 and are not covered by the usual Review of Decision guidelines.

If an employer wishes to review the decision to decline the subsidy, that decision should be reconsidered. This review should be based on whether an 'informed' decision was made and should consider the following:

- whether all relevant information obtained, and
- whether the appropriate options and implications were considered, and
- whether the decision was made at the appropriate level of delegation.

Questions

Check out our FAQs

We have some FAQ's available for the COVID-19 Wage Subsidy. You might find your answer in here.

You can also call us if you have questions about details of the COVID-19 Wage Subsidy. However, we cannot give you information about the status of your application over the phone.

Call us on [0800 40 80 40](tel:0800408040) (Link 13)

We're experiencing high call volumes at the moment so it will take a while to get through to someone. Please bear with us and if you can't get through, call back later.

Related links

- [Govt.nz - Information on COVID-19 including health, travel, education](#) (Link 14)
- [Employment NZ - Workplace response to COVID-19](#) (Link 15)
- [Ministry of Health - latest updates, information and advice on COVID-19](#) (Link 16)
- [Information for employers considering redundancies](#) (Link 17)
- [Beehive - \\$12.1 billion support for New Zealanders and business](#) (Link 18)

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2. <https://ndhadeliver.natlib.govt.nz/webarchive/wayback/20200402045053/https://workandincome.govt.nz/online-services/covid-19/declaration-wage-subsidy.html>
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