

## **COVID 19- Resurgence Wage Subsidy** from 1 pm on 21 August 2020

If your extension wage subsidy is coming to an end and you are still experiencing adverse impact of COVID 19 you may be able to apply for the new Resurgence Wage Subsidy which is available to support employers, including self-employed people, who are significantly impacted by the resurgence of COVID-19. Please be mindful that you can only receive one COVID 19 wage subsidy at any one time per employee.

### **Period Covered**

- Resurgence Wage subsidy covers a 2-week period and will run from the date you apply.
- Wage subsidy extension can be applied for, even if you haven't applied for the Wage Subsidy or wage subsidy extension.

### **When to apply**

- Applications can be made from 1 pm on 21 August 2020 to 3 Sept 2020. The applications are made to employers throughout NZ.
- You must not apply before the end of current wage subsidy extension as you can't received more than one wage subsidy at any one time for the same employee.

### **Qualifying Criteria**

- Business must have, or expect to have a revenue drop of 40% or more due to COVID 19, for the 14-day period between 12 August 2020 to 10 September 2020 compared to similar period last year and the decline must be related to COVID 19.
- Your business must be registered and operating in NZ and the employees covered by Resurgence Wage Subsidy must be legally entitled to work in NZ.

### **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 Resurgence Wage Subsidy.
- To determine whether these businesses meet the 40% decline in revenue assessment, they must compare their revenue against a 14-day period that gives the best estimation of the revenue decline related to COVID-19.

### **The business must have taken active steps to mitigate the financial impact of COVID-19.**

#### **This could include:**

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

## **Retention of Employees**

Employers are required to agree that, for the duration of the Resurgence Wage Subsidy, they will retain the employees the subsidy was paid for.

If you are receiving the COVID-19 Resurgence 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 Resurgence Wage Subsidy that applies to that employee
- if the employee's usual wages are lower than the rate of the Resurgence Wage Subsidy, continue paying that amount for the duration of the subsidy.

## **Payment Rates (same as original wage subsidy)**

The Resurgence 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 2 weeks per employee from the date of submission of application.

## **Keep in mind**

You'll be asked to declare you meet the criteria and agree to the obligations for the use of this payment. All payments will be subject to audits and reviews.

