

## COVID-19 Wage Subsidy August 2021

*This information is a guide only. The Wage Subsidy declaration on the Work and Income website has full details of eligibility criteria and obligations, and prevails over any other information.*

- The COVID-19 Wage Subsidy 2021 is open for applications for two weeks from 9.00am, Friday 20 August 2021.
- Applications can be made through the Work and Income website, <https://www.workandincome.govt.nz/covid-19/wage-subsidy/index.html>
- The subsidy is for two weeks, and the payment rate is \$600 a week (full time) and \$359.00 a week (part-time).
- **To ensure applications get processed as quickly as possible, it's important the information provided matches what is held by Inland Revenue** (eg IR number, company name, bank account, employee details including name and IR number).
- Applicants should check they're applying for the correct payment. Some businesses apply for the Leave Support Scheme or the Short Term Absence Payment, when they meant to apply for the COVID-19 Wage Subsidy August 2021. (Businesses can only receive one of these three COVID-19 payments for the same employee at the same time.)

### Eligibility Criteria

- The eligibility criteria are similar to the March 2021 scheme, including employer obligations and revenue test.
- It's important applicants read all the information, including the declaration they are agreeing to, carefully and make sure they comply.
- The revenue test is a decrease of at least 40%. This means:
  - Businesses need to have had (or expect to have) a minimum 40% decline in revenue in the 14-days since the Alert Level escalation (ie between 17 – 30 August 2021), when compared with their revenue during a typical 14-day period in the six weeks immediately before the Alert Level escalation.
  - Businesses with highly seasonal revenue can compare their revenue to 17 – 30 August 2020 or 2019, if they can show that the seasonal nature of their business makes it harder for them to meet the revenue test using the default comparison period.
- The decline in revenue must be caused by the effect of the national wide Alert Level increase on 17 August 2021 on their businesses.

### After the payment is made

- If the revenue decline doesn't eventuate the business needs to repay the subsidy.
- Businesses will need to prepare and keep evidence to support their declaration (but they don't need to provide this on application)
- MSD will complete background checks and target integrity activity. This means a sample of applicants will be asked for proof of revenue decline.

- If the Government decides to extend the wage subsidy, businesses will need to make another application. At this stage the wage subsidy is only for two weeks.