
Job Support Scheme

HELPING EMPLOYERS RETAIN EMPLOYEES WHO COULD BE FACING REDUNDANCY

What is the Job Support Scheme?

The Job Support Scheme is aimed at helping employees keep their jobs in this challenging economic climate.

The Job Support Scheme provides an allowance administered by Work and Income to supplement the income of employees who have accepted reduced hours at work. The allowance is available for up to six months.

Employers will need to negotiate an agreement with their employees (and unions where appropriate) which will reduce their hours by up to 10 hours per fortnight. This will encourage businesses to keep employees on reduced hours rather than make them redundant. For employees in the Job Support Scheme it provides job security during this time.

Which employers are eligible for the Job Support Scheme?

The Job Support Scheme was made available for employers with more than 100 staff from 27 March 2009.

On 27 April 2009, the Job Support Scheme was extended to include employers with 50 to 100 employees inclusive.

This means, to be eligible for the Job Support Scheme an employer must:

- currently employ 50 or more staff
- have negotiated an agreement for a maximum period up to six months with employees and unions (if applicable) that temporarily varies the existing employment agreement(s) of employees participating in the Job Support Scheme
- reduce the hours of participating employees by up to 10 hours a fortnight but not so they work less than 30 hours a week
- not make any participating employee redundant
- agree to pay allowances (less tax and levies) received to employees participating in the Job Support Scheme
- confirm that the shift to reduced hours is only expected to be a temporary measure
- confirm that employees participating in the Job Support Scheme are New Zealand citizens, permanent residents or have valid work permits.

Factsheet

For each job saved from redundancy the allowance can be paid for up to 10 employees. This means that if an employer indicates five employees may be made redundant, up to a maximum of 50 employees can receive the Job Support Scheme allowance.

Only permanent full time employees are eligible for the allowance. Full time work for the Job Support Scheme means work of more than 37.5 hours per week.

How much is the Job Support Scheme allowance?

The Job Support Scheme will provide employers with an allowance equal to the adult minimum wage (\$12.75 per hour from 1 April 2010) for each participating employee, for up to five hours a fortnight.

The employer must pay the allowance in full, less any tax and levies payable, to the employees who agree to participate in the Job Support Scheme.

Employers will invoice Work and Income every four weeks for the total amount of allowance paid to their participating employees for the previous two fortnights plus GST. With this invoice, the employer will also be required to make a declaration that confirms that they have continued to meet the terms and conditions of the Job Support Scheme.

More information and how to apply

Employers should contact the Employer Line 0800 778 008 for more information about the Scheme and how to apply.

For more information about what other assistance is available and how we can help, you can look at our website www.workandincome.govt.nz.