



## 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 August 2021 is a payment to support employers throughout New Zealand, so they can continue to pay employees and protect jobs for businesses affected by the continuation of Alert Levels 3 or 4 from 17 August 2021.
- Each round of the Wage Subsidy is for a two-week lump-sum payment at the rate of \$600 a week for each full-time employee and \$359.00 a week for each part-time employee.
- Each round is a new application, and businesses must make sure they meet all the eligibility criteria for each application.
- The initial COVID-19 Wage Subsidy August 2021 was open for applications for two weeks from 9.00am, Friday 20 August until 11.59pm, Thursday 2 September.
- A second COVID-19 Wage Subsidy August 2021 (Wage Subsidy #2) is open for applications for two weeks from 9.00am, 3 September until 11.59pm 16 September.
- If you applied for the initial Wage Subsidy, you can apply for Wage Subsidy #2 two weeks later. So if you applied on 23 August, you can apply for Wage Subsidy #2 on 6 September. Early applications can't be accepted as each payment is for two weeks.
- If you didn't apply for the initial wage subsidy, you can still apply for Wage Subsidy #2 from 3 September providing you meet all the eligibility criteria.
- Applications can be made through the Work and Income website, [workandincome.govt.nz/covid-19/wage-subsidy/index](https://workandincome.govt.nz/covid-19/wage-subsidy/index)
- **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, 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 predict to have) a minimum 40% decline in revenue in the 14 days:
    - between 17 – 31 August for the initial wage subsidy payment
    - from 31 August – 13 September for Wage Subsidy #2when 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 the same period in 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 nationwide Alert Level increases that began 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.