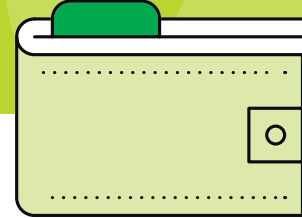


COVID-19 wage subsidy



Is your business eligible?

ARE YOU AN EMPLOYER, CONTRACTOR,
SOLE-TRADER OR SELF-EMPLOYED
(INCLUDING SHAREHOLDER-EMPLOYEES)?

YES ↓

HAS THERE BEEN AT LEAST A 30% DECLINE
IN ACTUAL OR PREDICTED REVENUE
FOR JANUARY 2020 TO 9 JUNE 2020?

Business > one year: Compare one month
against the same month from the previous
year (i.e. Feb 2020 and Feb 2019)

Business < one year: Compare month by
month movement with previous month

YES ↓

IS YOUR BUSINESS REGISTERED AND
OPERATING IN NEW ZEALAND

+

EMPLOYEES ARE LEGALLY
WORKING IN NEW ZEALAND?

YES →

NO →

CANNOT APPLY FOR
THE WAGE SUBSIDY

NO →

APPLY FOR WAGE SUBSIDY
AND SHOW COMPLIANCE:

1. Take active steps to mitigate the financial impact of COVID-19
2. Make best efforts to retain named employees, and continue to pay them at least 80% of normal wages or salary
3. Comply with other detailed employer obligations (see the Ministry of Social Development website for more detail on this and the other requirements)

NO →

Now, for tomorrow

HOW MUCH YOU CAN GET PER PERSON?

Working 20 hours or more per week

\$585.80 per week

Working less than 20 hours per week

\$350.00 per week

Decline in revenue

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

DETERMINING A DECLINE IN REVENUE

Business > one year

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.

Business < one 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.

New Zealand business

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/SELF-EMPLOYED/CONTRACTORS

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, and
- must still meet the requirements to be physically located and legally working in New Zealand

Legally working in New Zealand

This means a person is both:

- a) working in New Zealand, and
- b) 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
- have a New Zealand work visa or a condition on their New Zealand temporary visa that allows them to work in New Zealand.

Income tax

The money you receive and pay onto employees as part of the wage subsidy is not taxable, and no deduction is allowed.

If you receive the wage subsidy for yourself, i.e. you are self employed or a sole trader, then the wage subsidy is taxable in the usual way.

If you are an employer paying to your employees, then withhold PAYE in the usual way.

GST

The IRD has confirmed to us that there is no GST on the subsidy, but it may be that the law needs to be changed to effect this.

OTHER POINTS

- Maximum \$150,000 per business
- Paid as a lump sum
- Covers 12 weeks per employee
- For wages only
- Can only apply once per business

HOW TO APPLY

Visit the [Work & Income website](#) and complete the applicable online form.

SELF-EMPLOYED/CONTRACTOR APPLICATION FORM

Includes sole traders (suggest using for non-PAYE employees)

Self Employed/Contractor Application

Required information is flagged with * *

* I am applying because

* IRD Number

* Employment Type

* Company Name

NZ Business Number (NZBN)

* Business address

* Contact Name

* Note: Contact Email and Contact Mobile may be used for further communication regarding your application.

* Contact Email

* Contact Mobile

Contact Other Phone

* Bank Account

Bank (2) Branch (4) Account (7) Suffix (2-3)

Your account suffix will either be 2 or 3 digits depending on your bank. Please enter it exactly as it appears.

EMPLOYER APPLICATION FORM

Suggest using for PAYE employees and shareholder-employees if any PAYE deducted

Employer Application

Required information is flagged with * *

* I am applying because

* IRD Number

* Employer Name

* NZ Business Number (NZBN)

* Business address

* Contact Name

* Note: Contact Email and Contact Mobile may be used for further communication regarding your application.

* Contact Email

* Contact Mobile

Contact Other Phone

* Bank Account

Bank (2) Branch (4) Account (7) Suffix (2-3)

Your account suffix will either be 2 or 3 digits depending on your bank. Please enter it exactly as it appears.

Affected employees you wish to claim a subsidy for.

If you wish to claim a subsidy for yourself, enter your own details as well as those of your employees.

| First name | Last name | Date of Birth | IRD Number | Employment Type |
|------------|-----------|---------------|------------|-----------------|
| | | (dd/mm/yyyy) | | |

[Add Employee](#)

About Baker Tilly Staples Rodway

Baker Tilly Staples Rodway is a national association of independent practices, with eight locations throughout New Zealand.

We are proud to be a member of Baker Tilly International, a top ten global network of independent accounting and business advisory firms, whose member firms share our dedication to exceptional client service.

