

## **COVID-19 SUBSIDY PAYMENTS AVAILABLE**

As this situation evolves, we will endeavour to get further information to you regarding Government initiatives put in place to assist businesses with the loss of income from the effects of the Covid-19 virus and now the enforced Level 4 lock down period.

We at Gunson McLean are here to assist you with your queries and concerns. You will have received an email from us yesterday advising our contact email addresses and phone numbers as we all work in our “bubbles” at home.

A wage subsidy may be available to your business if your income has/is/will be affected by the Covid-19 virus. The following is information regarding the subsidy:

1. The wage subsidy is available for all employers significantly impacted by Covid-19 and are struggling to retain employees as a result.
2. The wage subsidy is also available to self-employed sole traders, partnerships and companies with “shareholder-employees”.
3. If you will continue to employ your employees to 80% of their current wage level you can apply on line for the wage subsidy of \$585.80 per full-time employee and \$350 per part-time employee. This subsidy is paid as a lump sum for a 12 week period.
4. You must apply for the subsidy online at [www.workandincome.govt.nz](http://www.workandincome.govt.nz)

As part of the application process you will be required to put in your NZBN (New Zealand Business Number)

If you are a company, go to [www.companiesoffice.co.nz](http://www.companiesoffice.co.nz) and in the search box enter your company name. You will find your 13 digit NZBN.

If you are a sole trader or partnership, you will need to apply for a NZBN before you can apply for the wage subsidy. Go to [www.nzbn.govt.nz](http://www.nzbn.govt.nz) to apply.

If you are a partnership, part of the NZBN application process will require you to confirm you are a partnership. Please email [trish@gunsonmclean.co.nz](mailto:trish@gunsonmclean.co.nz) and she will email you a confirmation letter regarding your partnership that you will need to sign and upload.

5. Employees can decide if you will pay the “top up” wages as sick leave or annual leave.
6. Employers can decide to use any employees annual leave as a top up but only with 14 days notice.
7. If you employ subcontractors, encourage them to apply for the self employed subsidy using the same link: [www.workandincome.govt.nz](http://www.workandincome.govt.nz) Under the “Wage subsidy” application is the option for “employers” or “self-employed”.

## YOUR FINANCES

Work out your overheads for the next three months, including your wages to be paid. Contact your bank and see what options are available to you to cover any cashflow shortfall. You may well require a temporary overdraft facility.

The Government is currently in discussions with both the banks and Reserve Bank to provide additional funding to businesses.

An announcement was made last night advising that banks will put in place a six month mortgage holiday for those borrowers affected by Covid-19.

## UPCOMING TAX PAYMENTS

We realise that upcoming income tax payments due on 7 April 2020 and 7 May 2020 is likely to put additional strain on cashflow. Should this be the case, please contact us and we can discuss alternative payment arrangements to manage your cashflow.

This also applies to GST and PAYE payments.

The Government is in the process of giving Inland Revenue Department a “discretion” to waive any use of money interest charges on tax payments not paid by the due date.

Regards,

Shiralee McLean