

30 March 2020

COVID-19 UPDATE RE WAGE SUBSIDY FOR EMPLOYERS AND SELF-EMPLOYED

Since our last update to you, Wednesday 25th March 2020, the Government has made further changes to applying for the wage subsidy as an Employer, or as a self-employed person.

The changes made are:

1. When applying for a wage subsidy either under the Employer application, or the self-employed application, the business **is no longer “required”** to enter a NZBN (NZ business number). This field is now optional. Therefore, to speed up the application process, you can just skip this field on the application form.
2. Previously, if the subsidy a business received for its employee was greater than their normal gross wage payment, you were required to pay the employee the full amount of the subsidy amount, less PAYE and Kiwisaver, or Student Loan deductions (if applicable). **This has now changed.** You must pay your employee their usual wage, if it is **less** than the subsidy amount you have received for them. Any difference should be used for the wages of other affected staff – the wage subsidy is designed to keep your employees connected to you.
3. If your employees work variable hours, you should work out their average hours based on their last 12 months of work. If they have been employed by your business for less than 12 months, then average their hours over the period of time they have worked for you.
4. **Partnerships**
If you operate your business as a partnership, each partner that works for the business **and** is either paid a wage, salary or draws an income (i.e. monthly drawings from the business), for the work they do, can apply for the wage subsidy.

To apply in this instance, use the “employer” application, and one partner will be the nominated contact person and enter all partners applying for the subsidy as employees.

There is a lot of information on the wage subsidy and application process on www.workandincome.govt.nz website. Please use this to keep update with any further changes. The following links have information about the Wage Subsidy declaration page, and also Questions and answers:

<https://www.workandincome.govt.nz/online-services/covid-19/declaration-wage-subsidy.html>

<https://www.workandincome.govt.nz/products/a-z-benefits/employer-questions-and-answers.html#null>

If you have any further queries or require assistance with the subsidy applications, please do not hesitate to contact our staff. Contact details are:

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You can also contact us via our website: www.gunsonmclean.nz