

## WGANZ COVID-19 BULLETIN 15 May 2020

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### Budget 2020

The Government has [announced](#) a \$50 billion fund to grow jobs and support New Zealanders and the economy through COVID-19 and the global recession.

The fund includes a \$4 billion business support package, including a targeted \$3.2 bn wage subsidy extension, and a \$1.6bn package for trades and apprenticeships training.

### Wage subsidy extension

From 10 June, businesses that have suffered, or expect to suffer, revenue loss of at least 50 per cent for the 30-day period prior to the application date versus the nearest comparable period last year will be eligible for the extension of the scheme.

The subsidy will be open for applications for a 12-week period from 10 June 2020 until 1 September 2020. and will be paid as an 8-week lump sum to employers at the same weekly rates as the current scheme.

“Applications for the extended subsidy will be able to be made through MSD’s website. Employers who have received money through the current Wage Subsidy will be able to apply for the extended subsidy if they meet the new eligibility criteria, but they will need to submit a new application,” MSD Minister Carmel Sepuloni says.

The details are still being worked out and will be available before 10 June. Some [important points](#) follow.

Applications open from 10 June 2020. You can't apply for the Wage Subsidy Extension for an employee until their 12-week Wage Subsidy has finished.

- You must have had, or expect to have, a revenue loss of **at least 50%** for the 30 days before you apply, compared to the closest period last year.
- It will cover **8 weeks** per employee from the date you submit your application.
- It will be paid to you as a lump sum at the same weekly rate as the Wage Subsidy.
- You'll need to agree to certain obligations, such as to:
  - pass the subsidy on to your employees
  - retain your employees for the duration of the subsidy
  - do your best to pay your employees at least 80% of their normal pay

- take active steps to mitigate the impact of COVID-19 on your business.

### **One subsidy at a time**

You won't be able to receive more than one COVID-19 payment from us for the same employee at the same time. This includes the:

- Wage Subsidy
- Leave Support Scheme, and
- Wage Subsidy Extension.

### **New or high growth businesses**

New businesses that have been operating less than a year, or high growth businesses (e.g. that have had a significant increase in revenue), can [apply](#) for the Wage Subsidy.

To determine whether these businesses meet the 30% decline in revenue assessment, they must compare their revenue against a previous month, or 30 days, that gives the best estimation of the revenue decline related to COVID-19. For example, 30% loss of revenue attributable to COVID-19 comparing January 2020 to March 2020.

### **Free trades training and apprenticeships**

The \$1.6b Trades and Apprentice Package to provide training opportunities for people of all ages is intended to get people back to work. \$50m has been allocated for Maori Apprentice and Trades Training. Details are awaited.

**This bulletin is brought to you by Advicewise People - 0800 692 384. If you have any questions or would like to discuss the bulletin above, please call Philip or Anthony.**

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