

Finance Minister Grant Robertson announces COVID-19 Resurgence Wage Subsidy

The Government has today set out the criteria for a new nationwide wage subsidy covering the period that Auckland is at COVID-19 Alert Level 3. It has also removed the revenue-drop test for the COVID-19 Leave Support Scheme.

“The Government is again moving quickly to cushion the blow for businesses and workers,” Finance Minister Grant Robertson said.

Businesses will need to show they have suffered a 40 per cent drop in revenues, during a period of at least 14 days between 12 August and 10 September 2020, due to Covid-19. The new subsidy will be paid for a two-week period and will be available nationally for employers, including self-employed people, who are financially impacted by the resurgence of COVID-19 and changes to COVID Alert Levels.

Robertson said the Government also expected more firms would qualify for wage subsidies under the wage subsidy extension scheme, which is still open to applications until September 1.

The cost of providing subsidies to businesses that hadn't been covered by that scheme, but which were now expected to qualify, was expected to be about \$1.1 billion, he said.

That changed expectation, plus the new subsidies, meant the total extra cost of wage subsidies as a result of the return of Covid-19 in New Zealand is expected to be \$1.6billion.

Businesses will be able to apply for the new round of subsidies from Friday 21 August 2020.

Resources:

New wage subsidy, leave scheme protects jobs and businesses

<<https://www.beehive.govt.nz/release/new-wage-subsidy-leave-scheme-protects-jobs-and-businesses>> 17 August 2020

COVID-19 Resurgence Wage Subsidy <<https://www.workandincome.govt.nz/covid-19/resurgence-wage-subsidy/index.html>>

COVID-19 Leave Support Scheme <<https://www.workandincome.govt.nz/covid-19/leave-support-scheme/index.html>>