



COVID-19 Wage Subsidy August 2021

This information is a guide only. The Wage Subsidy declaration on the Work and Income website has full details of eligibility criteria and obligations, and prevails over any other information.

- The COVID-19 Wage Subsidy August 2021 is a payment to support employers throughout New Zealand, so they can continue to pay employees and protect jobs for businesses affected by the continuation of Alert Levels 3 and 4 from 17 August 2021.
- Each round of the Wage Subsidy August 2021 is for a two-week lump-sum payment at the rate of \$600 a week for each full-time employee and \$359.00 a week for each part-time employee.
- Each round is a new application, and businesses must make sure they meet all the eligibility criteria for each application.
- There have been five COVID-19 Wage Subsidy August 2021 payments. They are:
 - An initial two-week payment available from 9 am, Friday 20 August until 7 am, Friday 3 September – closed
 - A second two-week payment available from 9 am, Friday 3 September until 11.59 pm Thursday 16 September – closed
 - A third two-week payment available from 9 am, Friday 17 September until 11.59 pm Thursday 30 September - closed
 - A fourth two-week payment available from 9 am, Friday 1 October until 11.59 pm, Thursday 14 October – closed
 - A fifth two-week payment available from 9 am, Friday 15 October until 11.59 pm, Thursday 28 October.
- If you applied for previous wage subsidies, you can apply for Wage Subsidy #5 two weeks after your last application. So if you applied on Thursday 14 October, you can apply for Wage Subsidy #5 on Thursday 28 October. Early applications can't be accepted. You need to wait until the end of the two-week payment before you apply.
- If you didn't apply for the earlier subsidies, you can still apply for Wage Subsidy #5 from Friday 15 October providing you meet all the eligibility criteria.
- Applications can be made through the Work and Income website www.workandincome.govt.nz/wagesubsidy

- **To ensure your application is processed as quickly as possible, it's important the information you put in your application matches what is held by Inland Revenue** (eg IR number, name, bank account, employee details including name and IR number).
- You should check you're applying for the correct payment. Some businesses have applied for the Leave Support Scheme or the Short-Term Absence Payment when they meant to apply for the COVID-19 Wage Subsidy August 2021. (Businesses can only receive one of these three COVID-19 payments for the same employee at the same time.)

Eligibility Criteria

- The eligibility criteria are similar to the March 2021 scheme, including employer obligations and revenue test.
- It's important you read all the information, including the declaration you are agreeing to, carefully and make sure you comply.
- The revenue test is a decrease of at least 40%. This means:
 - Businesses need to have had (or predict to have) a minimum 40% decline in revenue in the 14 days:
 - between 17 – 31 August for the initial wage subsidy payment
 - from 31 August – 13 September for Wage Subsidy #2
 - from 14 September – 27 September for Wage Subsidy #3
 - from 28 September – 11 October for Wage Subsidy #4
 - from 12 October – 25 October for Wage Subsidy #5

when compared with their revenue during a typical 14-day period in the six weeks immediately before the Alert Level escalation.
 - Businesses with highly seasonal revenue can compare their revenue to the same period in 2020 or 2019, if they can show that the seasonal nature of their business makes it harder for them to meet the revenue test using the default comparison period.
- The decline in revenue must be caused by the effect of the continuation of Alert Levels 3 and 4 from 17 August 2021 has had on your business.

After the payment is made

- If your business revenue decline doesn't eventuate you will need to repay the subsidy.
- Your businesses will need to prepare and keep evidence to support their declaration (but you don't need to provide this on application).
- MSD will complete background checks and target integrity activity. This means a sample of applicants will be asked for proof of revenue decline.
- If the Government decides to extend the wage subsidy, your businesses will need to make another application.