

WGANZ COVID-19 BULLETIN 14 April 2020

Essential Workers COVID-19 Leave Payment Scheme

Some questions remain about whether the 30% drop in revenue rule applies in the new scheme. The short answer is No.

Work and Income's website provides slightly differing criteria. The [Employer's Declaration](#) page says –

“... your business has either:

- experienced a minimum 30 per cent decline in actual or predicted revenue over the period of a month when compared to the same month last year, or a reasonably equivalent month for a business operating less than a year, and that revenue loss is attributable to the COVID-19 outbreak; **or**
- **had its ability to support the employees named in your application negatively impacted by the COVID-19 public health restrictions...**”

Their [main page](#) on the Scheme (see under the heading Who can get it), however, explains –

“You must also:

- have experienced a minimum 30 per cent decline in actual or predicted revenue over the period of a month when compared to the same month last year, or a reasonably equivalent month for a business operating less than a year, and that revenue loss is attributable to the COVID-19 outbreak; **or**
- **not be able to financially support your employee due to the COVID-19 public health restrictions. For example, the cost of paying for your employees' leave and paying for replacement staff is significant.**”

The Employer's Declaration is much clearer.

Dealing with applications

The new leave payment was designed for those who either –

- have tested positive
- have been in contact with a COVID-19 case
- are at higher risk according to MoH guidelines or
- have a household member who is at higher risk according to MoH guidelines.

Applications from employees who do not meet these criteria, but do not want to come to work for other reasons related to COVID-19, are proving difficult to handle. Some employees appear to rely on their right under the Health and Safety at Work Act to refuse to attend work if they consider it unsafe. Other employees simply feel that it is unsafe to leave their home, or that the risk of

contracting COVID-19 is higher at work (even though the employer has taken adequate steps to protect employees at work).

For a quick response on situations like these, call the helpline 0800 692 484.

Insolvency relief for business affected by COVID-19

The Government has also announced plans to provide temporary insolvency relief for businesses affected by the pandemic. The objective is also to keep staff employed. Details are available from the [NZ Companies Office](#).

The temporary changes include:

- giving directors of companies facing significant liquidity problems because of COVID-19 a 'safe harbour' from insolvency duties under the Companies Act
- enabling businesses affected by COVID-19 to place existing debts into hibernation until they are able to start trading normally again
- allowing the use of electronic signatures where necessary due to COVID-19 restrictions
- giving the Registrar of Companies the power to temporarily extend deadlines imposed on companies, incorporated societies, charitable trusts and other entities under legislation
- giving temporary relief for entities that are unable to comply with requirements in their constitutions or rules because of COVID-19.

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.
