

WGANZ COVID-19 BULLETIN 17 August 2020

New wage subsidy, leave scheme protects jobs and businesses

- 930,000 jobs supported by **new wage subsidy** and existing extension
- **Leave Support scheme simplified** to encourage people to get tested

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. “The new wage subsidy will help support cashflow and confidence.

“To further support wide-scale testing, we’ve removed the revenue-drop and ‘negatively impacted’ tests for the COVID-19 Leave Support Scheme. This means businesses with **workers who have been told by health officials or their medical practitioner to self-isolate will receive the equivalent of the wage subsidy** to help cover that person’s wages for the time they cannot be at work.

The mortgage deferral scheme is also being extended from its current end-date of 27 September, to 31 March 2021. Further details will be made available by the Reserve Bank and the retail banks.

Notes

- The criteria for the new wage subsidy are similar to the current extension: In particular, a business must have had, or is predicting to have, a revenue drop due to COVID-19 of at least 40 percent. For this new scheme, the **revenue drop applies for any consecutive period of at least 14 days within 12 August and 10 September** compared to last year.
- The Treasury also estimates that a number of businesses that weren’t able to access the extended wage subsidy before it expires on 1 September will **now become eligible** to do so. This is expected to cover about 460,000 workers, at \$1.1 billion.
- MSD has advised **the new wage subsidy scheme will be open for applications by the end of the week, Friday 21 August.**

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.
