

## Accountants who know Agri business

This update to last week's **useful information for businesses** takes into account the announcements made early Friday evening and subsequent clarification added on Saturday and Sunday.

The changes revolve around the subsidies for employees. In short:

- the leave subsidy is no longer available
- there is increased criteria for eligibility
- the declaration by the employer/business has been expanded
- there is greater clarity about the conditions that must be met

Please read the details below to get the full picture. There are links to the new material including the question and answer section available on Work and Income's website. The situation continues to evolve, and this update is based on the information available as at 29<sup>th</sup> March.

### 1. Subsidies

There is a wage subsidy for businesses significantly affected by COVID-19. Applications can be made [here](#)

	Wage Subsidy
Application	For businesses that are going to be <b>significantly affected</b> or <b>completely shut down</b> over the lockdown period and employees cannot work from home
Criteria	<p>The business has or will experience a minimum <b>30% decline</b> in revenue for any month between January and June 2020 compared to the same period in 2019</p> <p>The business must have taken active steps to mitigate the impact of Covid-19 on the business. MSD says active steps include, but are not limited to:</p> <ul style="list-style-type: none"> <li>▪ proactively engaging with your bank</li> <li>▪ drawing on cash reserves (as appropriate)</li> <li>▪ making an insurance claim</li> <li>▪ seeking advice from advisers or a relevant organisation such as the Chamber of Commerce or industry organisation</li> </ul>
Duration of Payment	<b>12 weeks</b> (can only apply once for any employee)
Payment to employees	<p>Must keep employees in employment during the period of subsidy</p> <p>Best endeavours are required to pay employees a minimum of <b>80% of their normal income</b> for the subsidised period</p> <p>If business is <b>completely shut down</b>, then minimum payment to employees is the <b>whole value of the subsidy</b> unless the employee is ordinarily paid less than these amounts. Excess for a part timer can be offset against other full time payroll costs</p> <p>Any/all payments to employees go through your usual payroll system and have the <b>usual taxes and deductions made</b></p> <p>Using employee annual leave to top up the subsidy to 80% is not appropriate however with employee consent the 80% can be topped up to 100% with annual leave</p>

Amount	<p>\$585.80 for people working 20 hours or more per week</p> <p>\$350.00 for people working less than 20 hours per week</p>
Application Process	<p>Information required includes employee names, dates of birth, and IRD numbers; business IRD number and NZ business number <b>for companies only</b>. To find your company's NZBN see <a href="#">companies office website</a></p> <p>Business owners must confirm they fit the criteria and they have consulted with employees and where practicable have their consent in writing (Privacy Act)</p> <p>Carefully read in full the expanded declaration <a href="#">here</a> before applying</p>
Other Things to Know	<p>There will be a post lock down audit process</p> <p>Businesses who receive the subsidy consent to publication of their name and sharing of information with other government agencies</p> <p>The subsidy does not include GST, and in effect must be offset against the subsidised wages you pay to employees</p> <p>Nothing in the subsidy scheme overrides employer's obligations in respect of employment law. This position is reinforced by the <a href="#">question &amp; answer</a> section of MSD's website</p>

**As a working business owner, you can apply for the subsidy for yourself also.**

2. **Mortgage holidays and additional finance** – The government have come to an arrangement with the banks to allow you to put your mortgage payments on hold for a period and to provide additional finance facilities. Please contact your bank to discuss.
3. **Tax/ACC payments** – contact IRD/ACC to put a payment plan in place to defer payments. Contact us if you need help with this.
4. **Rent** – Have a discussion with your landlord.
5. **Working for Families Tax Credits** – If your yearly family income decreases you may be eligible or entitled to increased payments. Contact us if you think you may be eligible.
6. **Additional grants** – If you require more significant project based assistance from us including reporting for the bank in order to secure additional finance or advice regarding employment or human resource matters, then we have access to a grant of up to \$5,000 per client to pay for these services.
7. **Essential Services** – Information for all essential businesses can be found [here](#). If your business is in the primary sector and wishes to operate as an essential business under the Level Four COVID-19 alert you had until 5pm on Friday 27 March to register if you have more than 5 workers including working owners. Following [registration](#) you will be asked 11 critical questions about how you intend to stop any spread of Covid-19.