



Government support for businesses recovering from COVID-19

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can help business to pay workers who've been told to self-isolate >>

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helps businesses understand and manage COVID-19 impacts and plan for recovery >>

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helps businesses manage cashflow with a quick, low-cost loan >>

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available through participating banks to support business cashflow needs and response or recovery projects resulting from COVID-19 >>

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TAX ADMINISTRATION ACT CHANGES

helps businesses with cashflow and stability through more flexible tax requirements >>

R&D TAX INCENTIVE

helps businesses retain their R&D capability during the COVID-19 disruptions and receive a tax credit more quickly >>

DEPRECIATION TAX DEDUCTIONS

helps businesses with cashflow and reinvestment by increasing the low-value asset threshold and allowing deductions for commercial and industrial buildings >>

REMISSION OF PENALTIES AND INTEREST

helps taxpayers facing interest and penalties for late tax payments, if they have been impacted by COVID-19 >>



PEOPLE



CASH FLOW

How can we support your business recovery?

Follow the links for detailed eligibility information and to apply.

NEW SUPPORTS

This guide is intended to give you an overview of the support available. Please follow the links for detailed eligibility information and to apply.

The information on these pages is a summary only. If you are unsure about any aspect of the Government's COVID-19 relief measures, and how they apply to your business or entity, please refer to the detailed information through the links provided and, if necessary, seek legal and financial advice.

WAGE SUBSIDY

can help businesses significantly impacted by COVID-19 to keep employees



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| What it provided | <p>The COVID-19 Wage Subsidy March 2021 has been activated with Auckland at COVID-19 Alert Level 3 for seven days.</p> <p>The payment is available to all businesses in New Zealand (including sole traders and self-employed) that meet the eligibility criteria, not just those in Auckland, to recognise that firms throughout the country may have their revenue affected by Auckland being at a higher alert level.</p> <p>Businesses can apply for the Wage Subsidy from the Ministry of Social Development from 1pm on Thursday 4 March. Payments will start from Monday 8 March.</p> <p>When eligibility is confirmed, the Wage Subsidy will be paid for two weeks at the rate of:</p> <ul style="list-style-type: none">• \$585.80 a week for each employee working 20 hours or more a week• \$350 a week for each employee working less than 20 hours a week <p>Employers need to retain named staff while they are receiving the subsidy. Employers must follow scheme rules around passing the subsidy through to employees, and other obligations under employment law, including following good faith processes and obtaining written agreement from the employee if there is any proposal to change workers' pay and conditions.</p> |
| Am I eligible? | <p>In order to qualify, employers must be affected by the move to Alert Level 3 on 28 February. They must be predicting or have experienced a 40 percent decline in revenue, over a consecutive 14-day period between 28 February and 21 March compared to their typical fortnightly revenue in the six weeks prior to 14 February.</p> <p>The six-week comparator period will be taken from before 14 February in response to a request by business, given the alert level rise on that date.</p> <p>Eligible employers can receive the Wage Subsidy and the Resurgence Support Payment at the same time.</p> |
| How do I find out more? | <p>Visit the Work and Income website to find out about Wage Subsidy support: workandincome.govt.nz/about-work-and-income/news/2020/covid-19-financial-support-for-businesses.html</p> |

CONSULTANCY SUPPORT

helps businesses understand and manage COVID-19 impacts and plan for recovery



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| What it provides | <p>Businesses can access tailored specialist support, free of charge, for issues such as business continuity planning, finance and cash flow management, HR issues, and sector-specific issues in some cases.</p> <ul style="list-style-type: none">• The Regional Business Partner Network is providing advisory services using a voucher system so that more businesses can access the advice they need.• Helplines run by the Employers and Manufacturers Association and the Canterbury Employers' Chamber of Commerce also have additional funding to provide more support |
| Am I eligible? | <p>To access support, contact your Regional Business Partner Network or providers to discuss your needs.</p> |
| How do I find out more? | <p>Visit the Regional Business Partner Network website: regionalbusinesspartners.co.nz</p> <p>Visit the EMA COVID-19 website: covid19.ema.co.nz</p> <p>Visit the Canterbury Employers' Chamber of Commerce website: cecc.org.nz</p> <p>For Tourism Advisory Support Services, visit the Qualmark website: qualmark.co.nz</p> |

COVID-19 LEAVE SUPPORT SCHEME

helps to pay workers who've been told to self-isolate



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| What it provides | <p>Leave Support is for businesses to help pay workers (including self-employed) told to self-isolate because of COVID-19. It's paid as a lump sum and covers two weeks per eligible employee at the rates of:</p> <ul style="list-style-type: none">• \$585.80 for each employee working 20 hours or more a week• \$350 for each employee working less than 20 hours a week <p>You can keep re-applying for the same employee as long as you meet the criteria and the payment is available.</p> |
| Am I eligible? | <p>To receive Leave Support payments, your business must:</p> <ul style="list-style-type: none">• be registered and operating in New Zealand (NB sole traders do not have to be registered)• employ people legally working in New Zealand. |
| What health criteria must workers meet? | <p>This payment is for workers who can't work from home and:</p> <ul style="list-style-type: none">• are sick with COVID-19 and must self-isolate, until a doctor tells them they can leave isolation, or• are identified as someone who has, or may have been in contact with someone who has, COVID-19 and must self-isolate for a period, including:<ul style="list-style-type: none">• a close contact who has been told to self-isolate by a health official through the contact tracing process• someone with COVID-like symptoms who meets the Ministry of Health's Higher Index of Suspicion criteria and has been told to self-isolate by a doctor• casual contacts who have been told to self-isolate by a health official through the contact tracing process, or• are the parent or caregiver of a dependant who has been told to self-isolate for a period and the dependant needs support to do so safely, or• are considered 'higher risk' if they contract COVID-19 and a doctor has told them to self-isolate while there's active community transmission, or• have household members who are considered 'higher risk' if they contract COVID-19 and a doctor has told them to self-isolate while there is active community transmission. |
| Who decides if a worker needs to self-isolate? | <p>The worker must have been told to self-isolate by a health official, such as:</p> <ul style="list-style-type: none">• a Medical Officer of Health or their delegate (e.g. a DHB Public Health Unit)• a medical practitioner, for example, a doctor/GP• a health official through the Ministry of Health's National Contact Tracing process• their employer (for healthcare, disability or aged-care workers) following best practice guidance from the Ministry of Health. |
| What are my obligations? | <p>You must pay your employees in line with their employment agreement and your obligations to employment legislation remain. You must pass on all of the Leave Support you apply for to those workers.</p> |
| How do I find out more? | <p>Visit the Work and Income website: workandincome.govt.nz/covid-19/leave-support-scheme/index.html</p> |

SMALL BUSINESS CASHFLOW LOAN

helps businesses manage cashflow with a quick, low-cost loan



What it provides

Eligible businesses and organisations (including sole traders and self-employed) can apply for a loan. Restrictions on how the loan can be used have eased. As well spending on core operating costs, businesses will be able to choose to use the loan to invest in their business, helping it to adapt to the impact of COVID-19.

Applications for the loan can be made until 31 December 2023.

- Maximum loan amount is \$10,000 plus \$1,800 per full-time-equivalent employee, to a maximum total loan of \$100,000.
- Sole traders can receive a loan of up to \$11,800.
- Annual interest rate of 3% beginning from the date of the loan being provided.
- Interest will not be charged if the loan is repaid within two years.
- The loan is for a term of up to five years.
- Businesses that have fully repaid their loan before the end of 2023 can re-borrow one further time if they meet the other eligibility criteria at the time they apply to re-borrow. Note that if a business has defaulted on a previous Small Business Cashflow loan, they will not be eligible to re-borrow.

Am I eligible?

The eligibility criteria are set out on the Inland Revenue website and include the requirement that your business must:

- Businesses must have been established before 1 April 2020, or, if established after 1 April 2020 businesses can apply for the Small Business Cashflow (Loan) Scheme if they have been in business for at least 6 months prior to applying and meet the other eligibility criteria.
- Have 50 or fewer full-time equivalent employees at the time of application. Commonly owned groups will be treated as a single business when applying this limit
- Be viable on an ongoing basis (generally, more likely than not to be able to pay their debts on time within the next 18 months)

To be eligible a business must show:

- at least a 30% actual drop in revenue; measured over any 14-day period in the previous six months, and compared with the same 14-day period of a year ago, or
- if the revenue from the same period of a year ago was affected by COVID, compared with the same 14-day period two years ago, or
- if the applicant was not in business a year ago, compared with the same or similar period in the previous month; and
- the revenue drop arose from the continuing impact of COVID-19.

How do I find out more?

Visit the Inland Revenue website: ird.govt.nz/covid-19/business-and-organisations

BUSINESS FINANCE GUARANTEE SCHEME LOANS

available through participating banks to provide for businesses operating cash flow needs and response or recovery projects resulting from COVID-19



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| What it provides | <p>Participating banks can provide term loans and revolving credit facilities to businesses that need credit due to business disruption caused by COVID-19.</p> <p>The Crown Business Finance Guarantee applies to 80% of any shortfall the bank has after following its normal processes to recover the debt, with the bank covering the remaining 20%. This is to encourage banks to lend where otherwise they might not.</p> <ul style="list-style-type: none">• Scheme maximum individual loan facility of \$5 million (your bank will determine your maximum loan amount)• Scheme maximum loan facility term of five years (your bank will determine your maximum loan term)• Government guarantee does not limit the borrower's liability for their debt• The Crown will guarantee 80 percent of the loan, whether a personal guarantee is in place, or not. Banks make their own lending decisions subject to their own lending requirements.• Loan facility can be applied for under the scheme until 31 December 2020 |
| Am I eligible? | <p>Your bank assesses if your business is eligible for a supported loan facility, applying its normal lending criteria and processes modified to take into account the uncertainty of the economic conditions caused by COVID-19. To be generally eligible to apply for a loan under the Scheme your business must:</p> <ul style="list-style-type: none">• Be New Zealand-based• Have annual revenue of \$200 million or less in its most recently completed financial year• Not be on your bank's credit watchlist• Not be engaged in excluded activities• Not be a residential or commercial property developer or investor, or a local authority or council-controlled organisation• Be viable on an ongoing basis (generally, more likely than not to be able to pay their debts on time within the next 18 months) |
| How do I find out more? | <p>General information about the Business Finance Guarantee Scheme is available at treasury.govt.nz/information-and-services/new-zealand-economy/covid-19-economic-response/measures/bfg</p> <p>Talk to your bank to discuss your financing needs and if they can be supported under the Scheme.</p> |

TEMPORARY TAX LOSS CARRY-BACK

helps businesses with cashflow by using tax losses to offset prior-year profit



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| What it provides | <p>Businesses making a loss in the 2020 income year, or expecting to make a loss in 2021, may be eligible for a tax refund by carrying back that loss to the preceding income year. There are two ways to do this:</p> <ul style="list-style-type: none">• Include the carried-back loss in your 2020 tax return and receive an automatic refund of any overpaid tax – if the 2019 tax return has already been filed, you can amend it through myIR• Ask for a refund of any provisional tax paid for 2020 if you want to carry back an estimated loss for 2021 <p>Any amounts refunded depend on the amount of the loss and the profit earned in the previous year.</p> |
| Am I eligible? | <p>Your business needs to have:</p> <ul style="list-style-type: none">• Incurred, or expect to incur, a loss in the 2020 or the 2021 tax year• Made a profit in the year before the loss <p>Companies also need to meet these conditions:</p> <ul style="list-style-type: none">• The company has maintained 49% common ownership throughout the loss year and preceding year• The group has retained 66% common ownership throughout the loss year and preceding year• Sufficient imputation credit account balance to cover any refund |
| How do I find out more? | <p>Visit the Inland Revenue website: ird.govt.nz/losscarryback</p> <p>Use myIR to let Inland Revenue know you want to use the loss carry-back scheme, and to have any refunds processed much faster.</p> |

BUSINESS DEBT HIBERNATION

allows businesses affected by COVID-19 disruptions to place their existing debts on hold while they recover



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| What it provides | <p>Business debt hibernation allows businesses affected by COVID-19 disruptions to place their existing debts on hold for up to seven months to help them start trading normally again, rather than starting processes such as liquidation.</p> |
| Am I eligible? | <p>To be eligible for business debt hibernation, businesses need to be:</p> <ul style="list-style-type: none">• The right type – for example: companies, trusts, and partnerships are generally eligible, but some types of particular businesses are not – for example: insurers and banks. Sole traders are not eligible and instead are subject to the Insolvency Act 2006• Viable• Formed or established before 3 April 2020 <p>At least half of the business's creditors must agree to the arrangement the business proposes. While a business is in Business Debt Hibernation it can continue to trade, subject to any restrictions agreed with creditors as a condition of entering hibernation.</p> |
| How do I find out more? | <p>Visit the Companies Office website companiesoffice.govt.nz/covid-19/business-debt-hibernation</p> |

COMMERCIAL PROPERTY LAW CHANGES

help commercial tenants and landlords to keep leases in place through recovery



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| What it provides | <p>COVID-19 has impacted on businesses' ability to meet costs such as rent, as well as on commercial landlords' ability to meet mortgage payments. Temporary law changes were made on 16 May 2020 to support tenants and landlords in this situation. These are:</p> <ul style="list-style-type: none">• Commercial landlords must give a tenant at least 30 (formerly 10) working days' notice before cancelling a lease because of overdue rent• Lenders must give 40 (formerly 20) working days' notice before they use their powers to take possession of, or sell, the mortgaged property (this includes mortgages over residential as well as commercial property; for mortgages over goods, the timeframe is 30 working days)• Parties to many smaller-scale commercial leases are required to negotiate payment obligations to ensure a fair rent is agreed if the commercial tenant can show that they have suffered a material loss due to COVID-19 <p>These measures give tenants more time to catch up or to approach the landlord to negotiate temporary changes to the rent or lease agreement to help them get through until they can resume operating as usual. They also give borrowers more time to remedy breaches or defaults before lenders can take action. These changes do not affect core repayment obligations.</p> <p>These changes are temporary and apply from 1 April 2020. The law will return to the original timeframes six months after the end of the Epidemic Preparedness (COVID-19) Notice 2020 put in place on 24 March 2020 (gazette.govt.nz/notice/id/2020-g01368).</p> |
| Am I eligible? | <p>If you are a commercial tenant or mortgage holder experiencing difficulty paying rent or making mortgage payments because of reduced income due to COVID-19, talk to a lawyer about how the law changes apply to your circumstances.</p> <p>This is particularly important if you have already been given notice of overdue rent or mortgage payments.</p> |
| How do I find out more? | <p>Visit the Ministry of Justice website: justice.govt.nz/about/news-and-media/covid-19-news/guidance-for-commercial-property-settlements</p> |

TAX ADMINISTRATION ACT CHANGES

helps businesses with cashflow and stability through more flexible tax requirements



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| What it provides | Amendment of the Tax Administration Act has provided Inland Revenue with flexibility to modify tax filing timeframes and procedural requirements for businesses affected by COVID-19. |
| Am I eligible? | <ul style="list-style-type: none">• Eligibility for flexible arrangements will depend on the circumstances of your business• This discretion is only able to be used by businesses impacted by COVID-19 |
| How do I find out more? | Contact Inland Revenue to discuss your situation: ird.govt.nz |

R&D TAX INCENTIVE

helps businesses retain their R&D capability during the COVID-19 disruptions and receive a tax credit more quickly



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| What it provides | Qualifying businesses can claim a 15% tax credit on their eligible R&D costs. The application date of broader refundability for the R&D tax credit has been brought forward by one year, to the 2019–20 income year. This allows more loss-making businesses to have this R&D tax credit refunded in cash, and sooner. |
| Am I eligible? | <p>In general, to claim the R&D tax incentive, your business must meet all of the following:</p> <ul style="list-style-type: none">• Eligible R&D activities• Eligible expenditure• Status as an eligible entity• Submitted your supplementary return and income tax return by the deadline <p>Assess your eligibility using this online tool: ird.govt.nz/research-and-development/tax-incentive/eligibility</p> |
| How do I find out more? | Visit the R&D Tax Incentive website: rdti.govt.nz |

DEPRECIATION TAX DEDUCTIONS

helps businesses with cashflow and reinvestment by increasing the low-value asset threshold and allowing deductions for commercial and industrial buildings



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| What it provides | <p>From the 2021 tax year, eligible businesses will be able to claim depreciation on commercial and industrial buildings.</p> <p>The applicable depreciation rates are 2% DV and 1.5% SL.</p> <p>The low-value asset threshold for depreciation has also been temporarily increased until 16 March 2021 to allow you to deduct the full cost of your business assets (purchased after 16 March 2020) with a value of less than \$5,000 in the year you purchased them, instead of having to spread the cost over the life of the asset. From 17 March 2021 the low-value asset threshold will be permanently increased to \$1,000 (up from \$500 pre-COVID-19).</p> |
| Am I eligible? | <p>In general, depreciation is only able to be claimed on commercial and industrial buildings – not residential. Short-stay accommodation eligibility will depend on whether it is classed as residential or commercial.</p> |
| How do I find out more? | <p>Visit the Inland Revenue website: ird.govt.nz/covid-19/business-and-organisations</p> |

REMISSION OF PENALTIES AND INTEREST

helps taxpayers facing interest and penalties for late tax payments, if they have been impacted by COVID-19



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| What it provides | <p>Interest and penalties charged on late tax payments can be written-off for taxpayers that have had their ability to make a tax payment on time significantly adversely affected by COVID-19.</p> |
| Am I eligible? | <p>Interest may be written-off if:</p> <ul style="list-style-type: none">• The due date for the payment was no earlier than 14 February 2020• The ability to make the payment on time was significantly adversely affected by COVID-19• The taxpayer requests that the interest be remitted; and• The outstanding tax is paid as soon as practicable <p>Similar eligibility requirements will be considered for writing-off penalties.</p> |
| How do I find out more? | <p>Contact Inland Revenue to discuss your situation: ird.govt.nz</p> |

NEW BUSINESS SUPPORT MEASURES

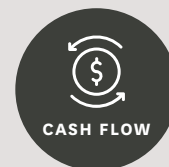
A new Resurgence Support Payment has been confirmed to help business transition in the event of an alert level rise. Legislation was introduced under urgency on 16 February to enable the scheme to be activated if an Alert Level escalation occurs for seven or more consecutive days. Current supports including the Wage Subsidy Scheme

(with some changes) will also be used in the event of an escalation to Alert Level 3 or 4.

A new Short-Term Absence Payment scheme was introduced on 9 February to support eligible workers to stay home while waiting for a COVID-19 test result. The scheme is available at all alert levels.

RESURGENCE SUPPORT PAYMENT

can help business to transition in the event of an alert level rise.



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| What it provides | <p>The Resurgence Support Payment was activated for the 14 to 21 February period, and has also been activated for the alert level raise on 28 February.</p> <p>The payment is available to eligible business when there are seven or more consecutive days at Alert Level 2 or above. It is formed by a core per business rate of \$1,500 plus payment per FTE (\$400) up to a total of 50 FTEs, or four times the experienced revenue drop over the seven-day period – whichever is less. This means, for example, an impacted firm with five FTEs would receive up to \$3,500. For any firm over 50 FTE, the maximum is \$21,500.</p> <p>Applications for the period 14 to 21 February must be made by 22 March.</p> <p>Applications for the latest Alert Level rise from 28 February open at 8am on 8 March.</p> |
| Am I eligible? | <p>Businesses must show an actual decline in revenue of at least 30% over a seven-day period at higher Alert Levels. The 30% drop must be compared to a typical week in the six weeks before the 14 February escalation in Alert Levels. If it is a seasonal business, it must show a 30 percent revenue drop compared with a similar week the previous year.</p> <p>The decline in revenue must be as a result of the specific Alert Level escalation, not just COVID-19 in general.</p> <p>Charities and not-for-profit organisations will be eligible. Impacted firms must have been in business for at least six months in order to apply.</p> |
| How do I find out more? | <p>Visit the Inland Revenue website: ird.govt.nz/covid-19/business-and-organisations/resurgence-support-payment</p> |

SHORT TERM ABSENCE PAYMENT

can help businesses to support eligible workers to stay home while waiting for a COVID-19 test result.



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| What it provides | The payment will be a one-off flat-rate payment of \$350 for each worker who meets the eligibility criteria and will be available from 9 February 2021. |
| Am I eligible? | Businesses (including self-employed people) will be able to apply for the STAP for an employee once in any thirty-day period per eligible worker (unless a health official or medical practitioner advises or requires the worker to re-test). It will support those who cannot work from home but are following public health guidance to stay home while waiting for a COVID-19 test result. Parents or caregivers of dependents who are required to stay at home awaiting a test result will also be eligible, where they need support to do so. Workers are also eligible if they are a household member or secondary contact (as described in public health guidelines) of someone who is a close contact of a person with COVID-19, and have been advised by public health guidance to stay at home while waiting for the close contact's test results. Employees who test positive will still be eligible for the Leave Support Scheme (LSS). Criteria on public health advice eligibility and details on the STAP are available at Work and Income. |
| How do I find out more? | Visit the Work and Income website: workandincome.govt.nz/covid-19/short-term-absence-payment/index.html If a worker needs to self-isolate following a positive test result, they then may also be eligible for the existing two week Leave Support Scheme. The Leave Support Scheme remains available at all Alert Levels. |