# The Treasury

## Advice on COVID-19 Response Information Release

## December 2021

This document has been proactively released by the Treasury on the Treasury website at:

**https://www.treasury.govt.nz/publications/information-release/advice-on-covid-19-response-information-release**

### Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

[33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials

[34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions

[35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;

[39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [33] appearing where information has been withheld in a release document refers to section 9(2)(f)(iv).

### Copyright and Licensing



### Accessibility

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to information@treasury.govt.nz.

MINISTRY OF SOCIAL DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

TE TAI ŌHANGA
THE TREASURY

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

# Joint Report: Wage Subsidy, Leave Support, and Short-term Absence Payment rates

| | | | |
|---|---|---|---|
| **Date:** | 13 August 2021 | **Report No:** | T2021/1735<br>MSD: REP/21/8/847<br>MBIE: 2122-0502 |
| | | **File Number:** | SH-3-5 |

## Action sought

| | Action sought | Deadline |
|---|---|---|
| Minister of Finance (Hon Grant Robertson) | **Agree** to the recommendations in this paper.<br>**Begin** consultation with your colleagues based on the Cabinet paper attached to this report. | Begin Ministerial consultation on the attached Cabinet paper to be lodged by 10:00am on 26 August. |
| Minister for Social Development and Employment (Hon Carmel Sepuloni) | **Agree** to the recommendations in this paper. | |
| Minister for Workplace Relations and Safety (Hon Michael Wood) | | |

## Contact for telephone discussion (if required)

| Name | Position | Telephone | | 1st Contact |
|---|---|---|---|---|
| Danijela Tavich | Analyst, Welfare & Oranga Tamariki, The Treasury | [39] | [35] | |
| Keiran Kennedy | Manager, Welfare & Oranga Tamariki, The Treasury | | | ✓ |
| Megan Beecroft | Policy Manager, Employment Policy, Ministry of Social Development | | | |
| Chris Hubscher | Manager, Employment Standards Policy, MBIE | | | |

## Minister's Office actions (if required)

Return the signed report to agencies.

Begin Ministerial consultation on the attached Cabinet paper for DEV on 1 September.

# Joint Report: Wage Subsidy, Leave Support, and Short-term Absence Payment rates

## Executive Summary

The COVID-19 Wage Subsidy Scheme (WSS), Leave Support Scheme (LSS) and Short-term Absence Payment (STAP) subsidise wages and support the broader public health response. The payment rates per worker for these schemes were originally set with reference to the Paid Parental Leave (PPL) rate and other factors.

The PPL rate has increased through automatic indexation since the original WSS, LSS and STAP rates were set. On 30 June 2021, the Cabinet Economic Development Committee (DEV) noted that the Minister of Finance and the Minister for Social Development and Employment would consider whether the PPL increase justifies an increase to WSS rates and report back to Cabinet accordingly [DEV-21-MIN-0142 refers]. We consider that a decision to increase rates falls outside Ministers' delegated authority to make minor policy and operational decisions due to its fiscal and potential precedent-setting effects.

The growth in wages means the WSS rate (and LSS and STAP) has slightly declined as a proportion of wages since its introduction. There is a risk that this reduces the effectiveness of the schemes at supporting the public health approach.

We recommend increasing the WSS, LSS and STAP rates to keep the schemes fit for purpose. Ministers have a choice about which labour market index to use for any rate increase.

***If Ministers decide to increase the WSS rate, this should be linked to wage rate growth***

Agencies recommend raising the WSS rate in line with private wage rate growth (the private sector Labour Cost Index [LCI]). This mitigates the risk of diminishing incentive effects of the scheme by maintaining the subsidy rates as a proportion of average wages. We also considered increasing the WSS rate in line with an average earnings measure, as is used for main benefits and PPL. This would result in a larger increase than the proposed wage rate measure. However, the recommended wage rate measure is better aligned with the employment attachment objective as it reflects the price of labour faced by employers.

The LCI has risen by 2.46% over the 5 quarters since the introduction of the WSS. This would result in an increase in rates from $585.80 to $600.00 (full-time) and $350.00 to $359.00 (part-time). The estimated additional fiscal cost for use of the WSS in the case of a two-week Alert Level 3 is $11 – 14m for Auckland, or $19 – 28m for all of New Zealand, which can be covered by the existing appropriation.

We recommend that the LSS and STAP rates should also be increased to remain the same as the WSS rate. This would result in an estimated additional fiscal cost of $200k - $600k in 2021/22 which can be covered by the existing appropriation. Both the LSS and STAP are currently available at all Alert Levels. MSD has advised that rate increases can be implemented from 1 October 2021. This implementation date allows MSD to continue work on other high priority workstreams.

***A rate increase sets a precedent for ongoing supports***

Cabinet has invited Ministers to revisit WSS settings and report back on these by December 2021 [DEV-21-MIN-0142 refers].

A WSS rate increase may have precedent-setting effects that could raise the expectations of firms and the public for a long-term entitlement to the full WSS despite the evolving nature of the public health and economic environment, which may not warrant this. We therefore recommend the increase should be undertaken as a one-off adjustment, with Cabinet signalling no commitment to ongoing (e.g. annual) adjustments at this stage.

We have attached a draft Cabinet paper which reflects the recommendations in this paper.

## Recommended Action

We recommend that you:

***Payment rates***

a **agree** to increase the Wage Subsidy Scheme (WSS) payment rate to account for economic changes since the introduction of the scheme

| | |
|---|---|
| *Agree/ disagree* | *Agree/ disagree* |
| *Minister of Finance* | *Minister for Social Development and Employment* |

b if you **agree** to increase the WSS rate per *recommendation a:*

**either:**

| | |
|---|---|
| **agree** to increase the WSS rate in line with private wage rate growth, which reflects the price of labour faced by employers, and would result in an increase from \$585.80 to \$600.00 (full-time) and from \$350 to \$359.00 (part-time) (**recommended**) | *Agree/disagree* *Minister of Finance*<br><br>*Agree/disagree* *Minister for Social Development and Employment* |

**or:**

| | |
|---|---|
| **agree** to increase the WSS rate in line with an average earnings measure, as is used for main benefits and Paid Parental Leave, and is an increase from \$585.80 to \$625.00 (full-time) and from \$350 to \$374.00 (part-time) | *Agree/disagree* *Minister of Finance*<br><br>*Agree/disagree* *Minister for Social Development and Employment* |

c **agree** to increase the rates of the Leave Support Scheme (LSS) and Short-term Absence Payment (STAP) in line with the WSS rate

| | | |
|---|---|---|
| *Agree/ disagree* | *Agree/ disagree* | *Agree/ disagree* |
| *Minister of Finance* | *Minister for Social Development and Employment* | *Minister for Workplace Relations and Safety* |

d if you **do not agree** to increase WSS, LSS and STAP rates per *recommendations a and c:*

**note** that officials will provide further advice on payment rates in December, including whether the underlying rate is correct

***Implementation***

e **agree** that MSD will implement the changes for the WSS, LSS, and STAP from 1 October 2021

| | | |
|---|---|---|
| *Agree/ disagree* | *Agree/ disagree* | *Agree/ disagree* |
| *Minister of Finance* | *Minister for Social Development and Employment* | *Minister for Workplace Relations and Safety* |

f **note** that if another WSS is required prior to 1 October, MSD will redirect resources to implement the change for the WSS, LSS and STAP within the standard five working days required to stand up a WSS, provided there are no other changes to the schemes

g **note** that, if a WSS is required prior to 1 October, and there are additional changes required to the WSS, LSS or STAP schemes at that time, this may increase implementation timeframes for standing up a WSS, and could require trade-offs such as standing up a WSS first with the new payment rate, and making changes to the LSS and STAP rates later

h **note** officials are considering interactions between an LSS and WSS during an Alert Level 4 escalation, and will provide advice on this if further decisions are required

i **agree** the rate change is a one-off adjustment, which does not represent a commitment by officials or Ministers to review the rates annually

| | | |
|---|---|---|
| *Agree/ disagree* | *Agree/ disagree* | *Agree/ disagree* |
| *Minister of Finance* | *Minister for Social Development and Employment* | *Minister for Workplace Relations and Safety* |

j [33]

### *Cost implications*

k **note** the cost implications of these changes depend on the public health scenario

l **note** a rate change in line with our recommended approach is projected to increase the fiscal costs of the WSS in the case of a two-week payment for a two-week Alert Level escalation by $11 – 14m (Auckland AL3) or $19 – 28m (National AL3)

m **note** this cost increase can be covered within the existing Business Support Subsidy COVID-19 appropriation

n **note** that if an Alert Level 4 escalation were to occur beyond Auckland, increased funding may be required, which officials will advise on at that time

o **note** this rate change is projected to increase the 2021/22 fiscal costs of the LSS by between $35K (no outbreaks) to $67K (single outbreak)

p **note** this rate change is projected to increase the 2021/22 fiscal costs of the STAP by between $188K (no outbreaks) to $245K (single outbreak)

q **note** these cost increases can be covered within the existing COVID-19 Leave Support Scheme appropriation

### *Communications*

r **agree** MSD will publicise the LSS and STAP changes on its website

| | | |
|---|---|---|
| *Agree/ disagree* | *Agree/ disagree* | *Agree/ disagree* |
| *Minister of Finance* | *Minister for Social Development and Employment* | *Minister for Workplace Relations and Safety* |

***Cabinet report back***

s **note** that Cabinet will need to agree to this rate change as it falls outside Ministers' delegated authority to make minor policy and operational decisions due to its fiscal and potential precedent-setting effects

t **agree** that your Office begins consultation with your colleagues based on the attached draft Cabinet paper

*Agree/ disagree*
*Minister of Finance*

u **agree** that the attached Cabinet paper, subject to any modification arising from consultation with your colleagues, be lodged by 10:00am 26 August for consideration by DEV on 1 September 2021

| | | |
|---|---|---|
| *Agree/ disagree* | *Agree/ disagree* | *Agree/ disagree* |
| *Minister of Finance* | *Minister for Social Development and Employment* | *Minister for Workplace Relations and Safety* |

v **indicate** whether you would like to discuss the contents of this report with officials.

| | | |
|---|---|---|
| *Yes/ no* | *Yes/ no* | *Yes/ no* |
| *Minister of Finance* | *Minister for Social Development and Employment* | *Minister for Workplace Relations and Safety* |

Keiran Kennedy
**Manager, Welfare & Oranga Tamariki**
**The Treasury**

Hon Grant Robertson
**Minister of Finance**

Megan Beecroft
**Policy Manager, Employment Policy**
**Ministry of Social Development**

Hon Carmel Sepuloni
**Minister for Social Development and Employment**

Chris Hubscher
**Manager, Employment Standards Policy, Ministry of Business, Innovation and Employment**

Hon Michael Wood
**Minister for Workplace Relations and Safety**

**Joint Report:** Wage Subsidy, Leave Support, and Short-term Absence Payment rates

## Purpose of Report

1. The purpose of this report is to provide advice on whether increases in the Paid Parental Leave (PPL) payment rates justify an increase to Wage Subsidy Scheme (WSS) rates. This report also attaches a draft Cabinet paper seeking Cabinet confirmation of the recommendations in this paper, should you agree to these.

## Background

**The WSS, LSS and STAP support the broader public health response**

2. The Wage Subsidy (WSS) is intended to support employment attachment and incomes during Alert Level 3 and 4. The Leave Scheme (LSS) and Short-Term Absence payment (STAP) provide a similar function by supporting individual self-isolation and testing at all Alert Levels. Together these schemes support the public health response.

**The original WSS rate was based on PPL and other factors**

3. In initial advice on the payment rate for the WSS,[1] officials took into account median weekly earnings, the amount paid in previous subsidy schemes, and other forms of support, such as PPL:

   - The maximum PPL rate was, at that time, $585.80.
   - Previous subsidies, following the Christchurch and Kaikōura earthquakes, started at $500 per week before reducing to $375 and then to $250 over time. This was for full-time employees. The previous subsidies were calculated at $300 per week for part-time employees before reducing over time by the same proportion as the full-time employee rate.
   - The average median weekly earnings in New Zealand as at March 2020 was $1,102 per week. The minimum wage was expected to be $756 per week from 1 April 2020. The Ministry of Social Development's Emergency Benefit for a single person aged 25 years and over was $250 per week.

4. The final rate Cabinet decided on was the same as PPL. Given an objective of PPL included supporting employment attachment and incomes, this was seen as an appropriate basis for the WSS rate. Cabinet also agreed as part of the original WSS decision, that the part-time rate would be $350; approximately 60% of the full-time rate [CAB-20-MIN-0108 refers].

**The maximum PPL rate has increased by 6% since March 2020**

5. Under the Parental Leave and Employment Protection Act 1987, eligible parents are entitled to payments equal to their normal pay up to the current maximum rate. The maximum rate is adjusted annually in July to account for any increase in average weekly earnings.

[1] See early drafts of the Cabinet paper *'Business Continuity Package: Targeted wage subsidy scheme'* which set out officials' thinking on comparable payment rates [CAB-20-SUB-0109]. This paper was withdrawn and the final policy paper on the WSS approved by Cabinet *'COVID-19: Overview of the Government's Response: Economic package'* did not include that detailed content [CAB-20-SUB-0108].

6. The PPL has increased by 6% (from $585.80 to $621.76) since the introduction of the WSS, through two automatic annual adjustments.

7. We note also that, since the initial rate of the WSS was considered, benefits have been raised again in July 2021 to $278.50 per week for a single person aged 25 and over, and minimum wage has also increased to $800 for a 40 hour week.

**The LSS and STAP rates are the same as the WSS**

8. Payment rates for the LSS and STAP are based on the WSS:

   - The LSS provides a two-week lump sum payment of either $585.80 per week for full-time workers, or $350 per week for part-time workers, who must self-isolate and cannot work from home.
   - The STAP provides a one-off (once per 30 days) $350 payment for workers who must miss work due to a COVID-19 test and cannot work from home.

9. The analysis below relates to the WSS. Given the LSS and STAP have a broadly similar purpose to the WSS of supporting wages and an effective public health response, we recommend keeping the rates aligned with any WSS change. This approach will also keep settings simple for businesses and employees to understand and avoid any unintended equity effects or gaming opportunities which could arise with different rates.

## Options for increasing the Wage Subsidy rate

*An adjustment in rates may be required to ensure WSS effectiveness*

10. The original WSS had several objectives; providing income support, fiscal stimulus and supporting employment attachment, as well as supporting social license for the public health response.

11. The economy has shifted, and wages and prices have increased since the WSS was introduced in March 2020. This suggests there may be a need to adjust the rate of payment to maintain WSS effectiveness.

12. The growth in wages means the WSS rate (and LSS and STAP) has slightly declined as proportion of wages since its introduction. There is a risk that this reduces the effectiveness of the schemes at supporting the public health response.

13. Based on this, there are two options:

   - **Option 1: One-off adjustment** to WSS, LSS, and STAP rates from 1 October 2021, to reflect the increase in wage rates over the 5 quarters from the March 2020 quarter to the June 2021 quarter, with no explicit commitment to ongoing/annual indexation.
   - **Option 2: Defer a decision on rates** to be considered as part of advice on the overall activation settings of the WSS in December 2021. This would enable a more considered approach to the rates as part of working through broader questions on the WSS activation settings, such as whether the underlying rate for the WSS is correct.

14. We recommend Option 1 – increasing the rates of the LSS and STAP from 1 October 2021, and increasing the rate of the WSS when it is reactivated. We do not recommend Option 2 because:

   a. There remains a significant amount of uncertainty in the public health environment, and the public health risk remains elevated. This suggests it is worth adjusting the rate for currently available schemes such as LSS and STAP sooner, as they continue to play an important role in supporting the public health response

b. As outlined in our recent report on the WSS and social unemployment insurance [T2021/1815 refers], agencies have limited resource available over the coming months. We recommend changes to the payment rates are made to the scheme on an as-needs basis rather than deferring to later report backs which themselves could be affected should officials become focused on responding to outbreaks.

15. Ministers have a choice about which labour market index to use for any rates increase, and options are outlined further below. The proposed options for rate increases are relatively small and the impact on scheme effectiveness is hard to quantify. Nonetheless, we consider that increasing the rates is a precautionary approach and will ensure that the WSS, LSS and STAP continue to support the public health response.

*Options for increasing the WSS rate*

16. We do not believe it is appropriate for the WSS increase to simply match the 6% PPL increase. This 6% represents eight quarters of price increases since July 2019 (two annual adjustments). This period starts earlier and lasts longer that the five quarters since the WSS was introduced in March 2020.

17. There are different labour market measures which could be used as a basis for increasing the WSS rate. The appropriate approach depends on the Government's primary objectives for the WSS:

**RECOMMENDED: Option A:** Employment attachment objective

- Hourly wage rates measure (Labour Cost Index (LCI), private sector, salary and ordinary time wage rates)
- 2.46% increase over 5 quarters since March 2020 quarter
- Linked to wage price faced by employer
- Maintains subsidy rate as a proportion of average wage rates
    - The employment attachment objective implies increasing the rate based on the non-discretionary increase in wage costs faced by an employer. This maintains its value as a proportion of wages and maintains the same incentives to retain employees. Under this approach, the WSS rate would be linked to wage rate growth. This approach has less of a distributional effect as it is focused only on changes to wage rates (per hour) for a given role and does not reflect changes in the mix of jobs or hours worked within firms and across the economy.

**Option B:** Income support objective

- Average ordinary time weekly earnings measure
- 6.74% increase over 5 quarters since March 2020 quarter
- analogous treatment to PPL
- ensures a basic level of income for those who are out of work, that grows with average earnings for the workforce.
    - The income support objective implies increasing the rate of the WSS based on an index like average ordinary time weekly earnings (the approach used for PPL and main benefits). This is a measure of how much people are currently earning on a weekly basis. It reflects changes in the mix of jobs done and the number of hours worked. We note this index has a redistributive element because the rate reflects how much is earned on average across the working population.

- The risk of this approach is that since the WSS is paid to the employer there is not a strong link between the rate and the income received by the subsidised worker. Since employers can contribute to wages, the subsidy amount only directly affects what a worker receives if they are on significantly reduced hours. Data on previous schemes suggests this will be in the minority of cases (about 8%-10%[2] of full-time subsidised workers on the original WSS moved onto the $585.80 rate). Therefore, in the majority of cases an increased rate may simply increase support to employers rather than increasing worker incomes.
- It is possible that a higher rate will mean businesses make a proportionally smaller reduction in wages than would otherwise have been the case, but this cannot be guaranteed under scheme rules.

*We recommend Option A – private sector LCI*

18. We recommend Option A which increases the WSS rate by 2.46% to reflect 5 quarters of growth in the private sector LCI since the WSS introduction in March 2020. This approach best reflects market-driven increases in employer wage bills and wage rates since the WSS was introduced. It supports the WSS employment attachment objective by broadly maintaining the incentive power of the scheme, but excludes factors over which employers and employees have some discretion (hours worked, mix of roles) and broader changes in the composition of the economy.[3]

19. The alternative (Option B) of increasing the rate in line with average weekly earnings is better aligned with an income support objective. This could provide minimum, guaranteed weekly income to workers on reduced hours (assuming their normal income is more than the subsidy rate). However, this is a small group (in the region of 11% of total subsidised workers) and the rate increase would be universal, so this is not a cost-effective approach to providing income support. In the majority of cases an increased rate may simply increase support to employers rather than increasing employees' incomes.

## Implementation

20. As above, any change to WSS rates would have flow on effects for the LSS and STAP rates. Since these schemes are currently available for employees at all Alert Levels, we recommend the rate increase for the LSS and STAP should be implemented as soon as possible. MSD has advised that it will be able to implement these changes from 1 October 2021. MSD will also make IT changes to allow the new rate for the WSS to be available if it is activated after 1 October 2021. This implementation date allows MSD to continue work on other high priority workstreams.

21. If another WSS is required ahead of 1 October 2021, MSD will redirect resources from other workstreams to implement the rate changes for the WSS, LSS and STAP within the standard five working days required to stand up a WSS following Cabinet decisions to activate a WSS. This is provided there are no other changes required to be implemented for WSS settings at that time.

22. If a WSS is required prior to 1 October, and there are additional changes required to the WSS, LSS or STAP schemes at that time, this may increase implementation timeframes for standing up a WSS, and could require trade-offs such as standing up a WSS first with the new payment rate, and changes to the LSS and STAP rates being made later.

[2] Treasury analysis

[3] ACC weekly compensation, Veterans' support, and some pay equity legislation is also adjusted by LCI.

23. Note that officials are considering the interaction between a WSS and LSS during an Alert Level 4 escalation, and whether an Essential Workers Leave Scheme may be required for this scenario. We will provide advice on this if we consider further decisions are required.

## Cost implications

24. Table 1 shows the rate changes for options A and B.[4] Table 2 shows the projected fiscal cost implications under different public health scenarios.
25. Cost increases to the WSS can be covered within the existing Business Support Subsidy COVID-19 appropriation which has $1.4 billion remaining. Cost increases to the LSS and STAP can be covered within the existing COVID-19 Leave Support Scheme appropriation, which has approximately $82 million remaining.
26. However, if an Alert Level 4 escalation were to occur on a scale beyond Auckland, increased funding may be required, which officials will advise on at that time

**Table 1** – Rate changes

| | Current rate (Full-time/Part-time) | Option A, 2.46% **(recommended)** | Option B, 6.74% |
|---|---|---|---|
| WSS | $585.80 / $350.00 | $600.00 / $359.00 | $625.00 / $374.00 |
| LSS | $585.80 / $350.00 | $600.00 / $359.00 | $625.00 / $374.00 |
| STAP | $350.00 | $359.00 | $374.00 |

**Table 2** – Estimated additional fiscal cost

| | Public health scenario | Option A, 2.46% **(recommended)** | Option B, 6.74% |
|---|---|---|---|
| WSS | Single outbreak: AL3 Auckland for 2 weeks, AL2 rest of NZ | $11m - $14m | $30m – $39m |
| WSS | Single outbreak: AL3 whole of NZ for 2 weeks | $19m - $28m | $52m - $78m |
| STAP | No outbreaks | $188K | $516K |
| STAP | Single outbreak | $245K | $672K |
| LSS | No outbreaks | $35K | $95K |
| LSS | Single outbreak | $67K | $185K |

[4] Note numbers for payment rates have been rounded to the nearest dollar.

## Communications

**A rate increase creates a precedent risk for ongoing supports**

27. We recently provided a six-month report on WSS activation settings [T2021/1534]. That report recommended that the status quo settings should be retained for a further six months. This is primarily because the public health environment remains too uncertain to begin considering any measures to roll back WSS entitlements. However, officials intend to revisit the settings and report back to Ministers and Cabinet in December 2021.

28. Increasing the WSS rate risks setting a precedent for the WSS as an ongoing entitlement, particularly if there is any signalling around ongoing annual indexation, as is used for statutory entitlements (like Paid Parental Leave).

29. [33]

30. [33] we recommend

- MSD publicise the LSS and STAP changes on its website
- Communications should be clear that the increase will be undertaken as a one-off adjustment, with no commitment to ongoing (e.g. annual) adjustments.
- Officials prepare reactive communications that indicate the WSS rate is planned to increase in line with the LSS and STAP changes, if it is activated again.
- Communications should be clear that the review is specific to the WSS, LSS and STAP, and that the Government is not considering the payment rates of other COVID-19 economic supports at this time.

## Next steps

31. We have attached a draft Cabinet paper to DEV seeking Cabinet approval of your decisions on payment rates [CAB-20-MIN-0531 refers].

32. Should you agree to the proposals in this report, we recommend that the attached Cabinet paper should be lodged, following consultation with your colleagues, by 10:00am on 26 August 2021, for consideration by the Cabinet Economic Development Committee (DEV) on 1 September 2021.

33. We note that the proposals in this paper do not have any implications for the Resurgence Support Payment (RSP) given the different payment rate to WSS, LSS, and STAP.

## Consultation

34. Agencies consulted the Inland Revenue Department in preparing this report. The Department of Prime Minister and Cabinet has been informed.