



The return to level 2 and level 3 in Auckland, causes uncertainty for businesses. The government announced a few new support packages. Please feel free to contact me if you would like to discuss your businesses situation.

Wage Subsidy Extension

The original 12 week wage subsidy ceased in June. The Wage Subsidy Extension is available from 10th June to 1st September 2020 to provide an additional 8 week subsidy to cover the wages of your employees. This can only be applied for once, plus your business needs to have experienced a minimum 40% decline in revenue for a continuous 30 days within the 40 days before you apply. The decline in sales must be related to COVID-19.

New Resurgence Wage Subsidy

The government announced yesterday a new wage subsidy available to employers from 1pm on 21st August 2020 to 3rd September 2020.

This subsidy is to cover 2 weeks and is available for all employers who have been financially impacted by the resurgence of Covid-19 and changes to the alert levels.

You can apply for this if your revenue has dropped by at least 40% due to Covid-19 for a 14 day period. This 14 day period must be within 12th August to 20th September and needs to be compared to a similar period last year.

The rates are the same as the 8 week and 12 week subsidy at \$585.80 for employees working over 20 hours or more per week and \$350.00 for employees working under 20 hours per week.

The criteria to apply also includes:

- You must be an eligible employer
- Your business must operate in New Zealand

- Your employees must be legally working in New Zealand
- You must take steps to mitigate the financial impact of Covid-19 and
- You must retain the employees named in your application for the period of the subsidy

An employer will not be able to receive the resurgence wage subsidy if they already receive other subsidy payments for the same employee.

Leave Support Scheme

This is available for employees and sole traders who cannot come into work because they are in one of the affected groups recommended to stay at home and they cannot work from home. The employee's must have either:

- Tested positive for Covid-19 and are required to remain off work until they have been cleared by a health professional to be released from self-isolation, or
- Have come into contact with someone who has Covid-19 and must self-isolate for 14 days (as required by Ministry of Health guidelines), or
- Are a higher risk if they get Covid-19, and the Ministry of Health guidelines recommend they stay at home while public health restrictions are in place, or
- Have household members who are a higher risk if they get Covid-19 and the Ministry of Health recommend the employee also remains at home to reduce the risk to them

If you apply for this before 1pm 21st August 2020 then you have to meet a revenue test. The revenue test won't apply after this time.

The business must have either:

- experienced a minimum 30% decline in actual or predicted revenue over the period of a month compared to the same month last year or a reasonable equivalent month operating less than a year, or
- have had your ability to support your employee due to the Covid-19 public health restrictions negatively impacted.

The amount available is the same as the wage subsidy levels and is paid as a 4 week lump sum to cover the employee from the date you submit your application.

COVID-19 Income Relief Payment

If you lose your job (including self-employment) from 1st March 2020 to 30th October 2020 due to Covid-19, you may be eligible for the Income Relief Payment.

You may be able to apply if you normally work 15 hours or more.

If you are in a relationship, then you will not be eligible if your partner earns \$2,000 or more in wages each week before tax.

Apprenticeship Boost

The government have just opened up the ability to apply for the Apprenticeship Boost – a payment to employers of apprenticeships in their first or second year of training. Employers can receive up to 20 months of support with payments of \$1,000 per month -first year or \$500 per month – second year. The apprentice must have actively been training and completed 24 months or less in an eligible apprenticeship through a transactional provider. After you have applied payments can be delayed for 2 to 4 weeks.

If you would like to apply you need to:

- 1) Ask the apprentice to sign and complete a form
- 2) Then complete the online application form using a director's MyIR access.

You will need to provide the following details:

- Business trading name
- Business legal name
- Bank account details
- Business Inland Revenue number
- GST number (if you're GST registered)

You'll need your apprentice's:

- Name, date of birth
- Inland Revenue number
- tertiary organisation that they're registered with
- industry qualification that they're training for
- training start date.

You'll need to re-confirm each month that the information about yourself and your apprentice(s) is still correct and that you still qualify for the payment.

ACC 2020/21 invoice timeframe changes

ACC have decided to delay all invoicing for the 2020/21 year. The ACC levy invoices will be issued in October 2020 instead of July.

This is to help businesses cope with financial pressures as a result of COVID-19.

If you would like to choose to be invoiced as normal, you can opt in by logging into your ACC account and making the selection. Please let us know if you need help with this.

New 2020 Mileage Rates for using your personal car for business

IRD have announced new mileage rates if you are using your personal car for business use. They are:

- first 14,000 km travelled 79 cents
- above 14,000 km travelled will depend on the type of car you drive (30 cents for petrol/diesel, 19 cents petrol hybrid & 9 cents electric).

Please ensure you keep good records of your mileage claim each year. The detail needed includes: date, description of your trip and total kilometres travelled for business only.

IRD's 2021 Provisional Tax Threshold

As a result of the effects of the pandemic, IRD have increased the provisional tax threshold from 1st April 2020 from \$2,500 to \$5,000.

If you have previously had provisional tax to pay, but are now under the \$5,000 threshold, you will not need to pay provisional tax during the year and instead will pay tax once a year as a lump sum. You do have the option to pay voluntary tax during the year. Please contact us if you would like to discuss this.

There is a Covid testing centre a few doors away from our offices operating from 9am to 5pm, so parking is more restricted than normal. Please feel free to drop any information into our letter box, at the back of our building, if this is easier for you.

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