

## EMPLOYER SERVICES LIMITED FEBRUARY 2021 NEWSLETTER

Firstly, we'd like to wish you all a belated Happy New Year as we head into 2021, albeit with some caution as the Covid pandemic continues to play havoc with our everyday lives. But there is some good news: the Government has again stepped into the breach to provide support and assistance to employers and employees affected by Covid-19, whether it be symptoms, self-isolation, lockdowns or restrictions.

### COVID-19 SUPPORT FOR EMPLOYERS

#### 1. Covid-19 Short-term Absence Payment

Work and Income's website says:

*Where an employee is entitled to be paid as per their employment agreement or the law (e.g. by taking paid sick leave) the employer will use the subsidy to pay the employee their ordinary wages and salary while they are waiting for the relevant test result.*

*Where any employee wouldn't otherwise have an entitlement to be paid if they are not able to work (e.g. if a worker has used up their paid sick leave so would be on unpaid leave) the employer:*

*Should try to pay their worker as if they had worked that day; or*

*They must pay at least the full amount of the Short Term Absence Payment to the employee while they are waiting for the relevant test.*

*If the employee's usual wages are less than or equal to the Short Term Absence Payment, the business must pay the worker their usual wages. Any difference should be used to help pay any other affected staff.*

#### **Our View:**

It is a \$350 one-off payment or subsidy paid to the employer to help pay the employee who is required to be absent to have a Covid-19 test and await the results. The payment should be used in the first instance and any shortfall can be topped up with paid sick leave or at the employee's request and the employer's agreement, with other types of paid leave, such as annual leave or alternative days. When entitlements are used up, the remaining period becomes leave without pay. The employer and employee can of course discuss and agree on other options between themselves.

#### **Who can get the Covid-19 Short-term Absence Payment?**

Businesses can apply for the Short-term Absence Payment:

if they've been advised that their worker (or self-employed person) is staying at home awaiting a Covid-19 test result in accordance with public health guidance; or

they are the parent or caregiver of a dependant who is staying at home waiting for a test result; or

a household member or secondary contact of someone who is a close contact of an infected person and the worker has been advised to stay at home while waiting for the close contact's test results.

It's important to read the Ministry of Social Development information on eligibility criteria. The Short-term Absence Payment does not cover someone who decides themselves to go and get tested without having been instructed to do so by public health officials or their doctor.

## **2. Covid-19 Leave Support Scheme**

For longer absences from work because of Covid-19, the Leave Support Scheme is available for eligible employers, including self-employed people, to help pay their employees who need to self-isolate and are not able to work from home.

To be eligible, your workers must:

- Be unable to come to work because they are in an affected group and have been told to self-isolate; and
- Be unable to work from home

Anyone who is unwell should call Healthline on 0800 611 116 or talk to their health practitioner. Employers should encourage employees to call if they are unwell or showing any of the following symptoms:

- New or worsening cough
- Sore throat
- Shortness of breath
- Runny nose
- Loss of sense of smell

The Leave Support Scheme is paid at a flat rate of \$585.80 for people normally working 20 hours or more per week; or \$350 for people working less than 20 hours per week. It is paid as a lump sum and covers two weeks per employee from the date of the application.

Visit the Ministry of Social Development website for more information on the payment and eligibility criteria: <https://www.workandincome.govt.nz/about-work-and-income/news/2020/covid-19-financial-support-for-businesses.html>

## **3. Covid-19 Wage Subsidy**

If there is an escalation in Alert Levels (3 or 4) anywhere in New Zealand, lasting seven days or longer, the Wage Subsidy scheme will be in place to support employers to pay their employees. Payment rates will be \$585.80 for full-time workers (20 hours or more per week) and \$350 for part-time workers (less than 20 hours per week).

## **4. Resurgence Support Payment**

From late February 2021, a Resurgence Support Payment will be available for eligible businesses throughout New Zealand if Alert levels remain at Level 2 or above for seven or more days. This is a one-off payment to assist businesses adversely affected by the escalation in Alert Levels.

**Enquiries:** If you are looking for a policy to deal with Covid-19 in your workplace, please give us a call or email us to discuss your particular requirements.

**Note:** We are constantly updating our client database and if you would like to continue to receive our occasional newsletters regarding topical issues relating to employment law and employment relations, please click on the link below to subscribe.

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