



22<sup>nd</sup> March 2020

This information and guidelines have been prepared by the NZHBECEA and is an outline of key information on Work and Income COVID-19 relief funding as it relates to the Home based ECE Sector. This information is as it stands currently. The NZHBECA recommends that you seek advice from the relevant government authorities, and we take no responsibility for individual circumstances. Please note information may change as further information is updated by the Government.

Should the Ministry require services to close the first port of call for home based educators is work and income. If you have medical questions related to the COVID-19, please refer to the [Ministry of Health's questions and answers page](#).

### **Work and Income COVID-19 Wage Subsidy**

If you're self-employed such as home based educators and "have experienced a minimum 30% decline in actual or predicted revenue over the period of a month when compared with the same month last year, and that decline is related to COVID-19," then you may be eligible for the COVID-19 Wage Subsidy.

Before applying you must be legally working in New Zealand and have taken active steps to mitigate the impact of COVID-19. For a home-based educator exactly what the active steps are is somewhat difficult to determine but generally it would mean actively trying to attract more families to their service.

### **How much is the COVID-19 Wage Subsidy?**

Work and Income NZ state that "the COVID-19 Wage Subsidy paid in a single lump sum is paid at a flat rate of:

- \$585.80 for people working 20 hours or more per week
- \$350.00 for people working less than 20 hours per week."

### **How do I apply for the COVID-19 Wage Subsidy?**

You can apply for the COVID-19 Wage Subsidy online. Simply fill out and submit the [Self Employed/Contractor version](#) of the COVID-19 Wage Subsidy and Leave Payment Application Form. Your accountant can also help with the application process with some appointing specialist Covid-19 specialists.

If you elect to do the application yourself from the dropdown menu at the top of the form, select "my business has been impacted by COVID-19 and I am/or about to experience at least a 30% decline of actual revenue."

You will also need to enter your:

- IRD Number
- Employment type (20 hours or more per week/less than 20 hours per week)

- Company Name (trading name)
- NZBN (if applicable)
- Business address
- Contact name, email, and mobile phone number
- Bank account details

### **How long does it take for the COVID-19 Wage Subsidy to be paid?**

The current timeframes for the payment of the subsidy is two to three days provided all information has been provided. However, as the demand for the subsidy increases it may take longer for applications to be processed and payments made. It is recommended that as soon as the circumstances outlined above apply application is made.

## **Work and Income COVID-19 Leave Payment**

### **I am unable to work due to COVID-19. Am I eligible for a Leave Payment?**

If you are unable to work due to COVID-19, you may be eligible for a Leave Payment. The [COVID-19 employer support page](#) outlines three types of situations which may qualify a self-employed worker for the COVID-19 Leave Payment:

**Situation #1:** you're self-employed and need to self-isolate in line with Ministry of Health Guidelines, and also:

- have registered as needing to self-isolate with Healthline (0800 358 5453),
- cannot work from home, and
- your self-isolation is not due to leaving NZ since the 16 March 2020 travel restrictions and since returning.

**Situation #2:** You cannot work because you have been diagnosed with COVID-19.

**Situation #3:** you cannot work because you are caring for dependents who are required to self-isolate or who are sick with COVID-19

In addition to meeting one of the above requirements, you also must be legally working in New Zealand, and have taken active steps to mitigate the impact of COVID-19 as discussed above.

### **How much is the COVID-19 Leave Payment?**

Work and Income NZ state that "the COVID-19 Leave Payment will be paid at a flat rate of:

- \$585.80 for people working 20 hours or more per week
- \$350.00 for people working less than 20 hours per week."

The subsidy covers 14 days. Beneficiaries of this subsidy will receive it as a single lump sum payment. As people may be required to self-isolate more than once, you will be able to apply for this on an 'as needed basis.' It appears that the benefit can be paid for the entire period of sickness (or looking after somebody who is sick) with COVID-19; however, it appears the Leave Payment must be applied for every 14 days.

### **How do I apply for the COVID-19 Leave Payment?**

You can apply for the COVID-19 Leave Payment online. Simply fill out and submit the [Self Employed/Contractor version](#) of the COVID-19 Wage Subsidy and Leave Payment Application Form. Your accountant can also help with the application process with some appointing specialist Covid-19 specialists.

If you elect to do the application yourself from the dropdown menu at the top of the form, select the option that best applies to you:

- “My staff are self-isolating due to COVID-19 or caring for a dependent who is self-isolating due to COVID-19 and cannot work from home,” or
- “My staff are sick with COVID-19 or caring for someone who is sick with COVID-19 and can’t work from home.”

You will also need to enter your:

- IRD Number
- Employment type (20 hours or more per week/less than 20 hours per week)
- Company Name (trading name)
- NZBN (if applicable)
- Business address
- Contact name, email, and mobile phone number
- Bank account details

#### **How long does it take for the COVID-19 Leave Payments to be paid?**

As with the wage subsidy the current timeframe for the payment of the subsidy is two to three days provided all information has been provided. However, as the demand for the leave payment increases it may take longer for applications to be processed and payments made. It is recommended that as soon as the circumstances outlined above apply application is made.

#### **Home Based Provider Funding**

Because a home-based educator is deemed to be a contractor the usual requirements around paid sick leave etc do not apply. However home-based providers may look at what they can do to help and provide support. This support may include Ministry of Education funding but the support and level of it depends on the individual circumstances of the home-based provider.

#### **Inland Revenue / ACC Obligations**

If you are having difficulties or concerns about meeting your normal tax obligations or ACC payments due to the effects of COVID-19 both Inland Revenue and ACC have a range of ways to help depending on your circumstances.

It is recommended that in such circumstances you contact your accountant who can contact Inland Revenue / ACC on the dedicated accountant phone lines. This is recommended as the public contact lines have been inundated and wait times significant. Whereas accountants can be experiencing considerably less wait times.

NB: We recommend that you keep detailed information of about enrolments that have finished due to the COVID-19, enquiries that didn’t eventuate, what your expected forecasted revenue would have been in relation to COVID-19.

At this stage this is the assistance available to home-based providers and educators. As the Covid-19 situation is fast developing the Government may change the support but this is an unknown.