



Leave Support Scheme



January 2022

What is it?

The COVID-19 Leave Support Scheme is available to employers, including self-employed people, to help pay their employees who have been advised to self-isolate because of COVID-19 and can't work at home during that period.

As an employer, how do I apply?

If the eligibility criteria (outlined below) is met, you can apply to Work and Income [online](#).

Do I have to apply for all my employees?

No, you should only apply for eligible employees after consulting with them.

How and when will I receive the payment?

If successful, you will receive a flat rate lump sum per employee based on:

- \$600.00 a week for employees who work 20 hours or more a week.
- \$359 a week for employees who work less than 20 hours a week.

The Leave Support Scheme is now a weekly payment. It's been changed from two-weekly to a one-week payment to recognise the periods of self-isolation have changed.

To be eligible for a one-week payment of Leave Support Scheme your employee will have been advised to self-isolate for at least four consecutive calendar days.

If your employee needs to keep self-isolating for at least 11 calendar days or more and can't work from home, you can apply for a second week payment of the Leave Support Scheme.

Is this the same as the Wage Subsidy?

No, there was a separate wage subsidy scheme (the **Wage Subsidy**) set up to provide support to all New Zealand employers, contractors, sole-traders, self-employment people, registered charities and

incorporated societies affected by COVID-19. Details about other Government support that may be available can be found [here](#).

Do I qualify?

Most businesses will qualify to receive the Leave Support Scheme, provided they meet the below eligibility criteria:

- The business must be registered and operating in New Zealand;
- The business' employees must be legally working in New Zealand (including employees who have a New Zealand work visa, have a condition on their New Zealand temporary work visa that allows them to work in NZ, those who are international students whose visa allows them to work in New Zealand); and
- The business retains the employees named in their application for the period of the Leave Support Scheme.

Government and crown entities, schools and tertiary education institutions are not able to receive the Leave Support Scheme. Before applying, you need to:

- Discuss how you can best support your employee (for example discussing if they can use sick leave);
- Discuss an application and get your employee's consent to the relevant points outlined in the declaration;
- Agree that they are eligible (see below); and
- Confirm that they cannot work from home.

Which employees are eligible?

To apply for the Leave Support Scheme your employee must have been advised to self-isolate for a period of at least four consecutive days for any one of the following reasons (and be unable to work from home for that period):

- they have COVID-19 or
- they are a close contact of a person who has COVID-19 or
- they are the parent or caregiver of a dependent who has been advised to self-isolate or
- they are in the category of people most at risk of severe illness from COVID-19 or

- they have household members in the category of people who are most at risk of severe illness from COVID-19.

Your employee, or their dependent, must have been advised to self-isolate by any one of the following:

- a medical officer of health or their delegate eg the Ministry of Health or a public health unit or
- a medical practitioner eg your GP or doctors at the hospital or
- the National Investigation and Tracing Centre.

What are the Ministry of Health's guidelines?

The Ministry of Health's guidelines can be found [here](#) and the Ministry of Health's case definition and testing guidance can be found [here](#).

Do I have to tell my employees that I am applying for the payment?

Yes, as part of the application the business needs to make a declaration stating that they have discussed the application with the named employees and received their consent (in writing where practicable) to sharing information with the Ministry of Social Development.

If they do not consent, then you will not be able to make the application in respect of them.

A business must advise the employees named in the application that they have a right to access all information held about them under the Privacy Act 2020 and can visit this [website](#) to make a request.

What proof do I need?

Work and Income are not requiring proof of eligibility currently, so you will not need it for the application. When you apply, you'll need to confirm that you've read, understood and agree to a declaration. That includes declaring you've confirmed with your employee that they meet the health criteria.

The employee should inform you why they think they meet the criteria. As an employer you can ask for a medical certificate if the employee is sick or injured, or if someone that depends on them for care is sick or injured. Payment for obtaining the medical certificate will depend on the circumstances and any policies.

How do I pay my employees?

Workers should still receive their normal pay. If this is not possible, a business must try their hardest to pay at least 80% of their usual wages, and the employee must at least receive the payment rate.

If you can't pay your employees their usual wages, then any reduction in wages or agreed hours of work requires good faith consultation. Discuss with your employee

how they will be paid during their absence and record any agreements in writing.

How often do I make the payment?

Pay your employee during their normal pay cycle or the frequency that you agreed with them.

What if my employee earns less than the payment normally?

If the employee's normal wage is less than the Leave Support Scheme payment, then pay them their normal wage. Seek clarification from Work and Income regarding how to use the remainder, as normally this should be used for other affected employees.

Does my employee need to use their leave entitlements first?

You should discuss whether your employee wants to use any existing leave entitlements, but they do not have to use up their leave entitlements before you apply for the Leave Support Scheme.

Do I need to deduct tax and KiwiSaver from the payment?

The Leave Support Scheme is paid like normal wages to employees, so normal deductions should still occur (such as PAYE, KiwiSaver etc).

Further Information

This guidance note provides a brief overview of the main issues. If you believe any of these may impact on your business, please contact 0800 675 697 or email advice@employsure.co.nz for further information.