

COVID-19 Overview of Wage Subsidy Extension

The Wage Subsidy Extension was announced in the Budget 2020. While very similar to the original Wage Subsidy Scheme, there are some key differences to consider. Notably, to qualify for the extension the employer will need to prove a decline in revenue of at least 40% over 30 continuous days out of the 40 days immediately prior to application. This decline is compared to the closest period in the previous year (the 30 day continuous period must begin on or after 10 May 2020).

The Extension is available from 10 June to 1 September 2020 and will be available for 8 weeks. Applications cannot be made for an employee until their original 12 week Wage Subsidy period has finished. Employers considering applying for the Extension should determine the end date of their original Wage Subsidy period and monitor their revenue over 40 days leading up to that end date. This will ensure they are ready to make a timely application for the Extension, once their current Wage Subsidy period finishes.

We summarise the key changes in the table below.

Table summarising differences between original scheme and extension

	Original Wage Subsidy Scheme	Wage Subsidy Extension
Differences at a glance		
Required decline in revenue	30% (compared to the same period last year)	40% (compared to the closest period last year).
Time period when revenue decline is measured	Any 30 day period between January 2020 and 9 June 2020.	30 continuous days out of the 40 days immediately prior to making an application.
Wage Subsidy period	12 weeks.	8 weeks.
Scheme application dates	17 March 2020 – 9 June 2020.	10 June 2020 – 1 September 2020 (applications can not be made for an employee until their 12 week original Wage Subsidy period has finished).
Similarities at a glance		
Subsidy rate per employee	\$585.80 per week for a full time employee. \$350.00 per week for a part time employee.	
How the subsidy must be used	Must pass the entirety of the subsidy on to your employees.	
Obligations in relation to employees	Must retain your employees for the duration of the subsidy and do your best to pay your employees at least 80% of their normal pay.	
Obligations in relation to mitigating impact of COVID-19 on your business	Must take active steps to mitigate the impact of COVID-19 on your business.	
Restriction on payments	An employer cannot receive more than one COVID-19 payment for the same employee at the same time. *COVID-19 payment includes Wage Subsidy, Leave Support Scheme and Wage Subsidy Extension.	

Useful links

[PwC COVID-19 Wage Subsidy](#)

[Work and Income Wage Subsidy](#)

[COVID-19 Small Business Cashflow Loans Scheme](#)

Contact us

Please connect with us if you would like help understanding your eligibility or any other support.

Scott McLiver
Private Business Partner
+64 21 820 945
scott.mcliver@pwc.com

Jan Gatley
Private Business Partner
+64 21 190 7011
jan.m.gatley@pwc.com

Phil Fisher
Partner
+64 274 627 505
phil.j.fisher@pwc.com

Geof Nightingale
Partner
+64 21 940 346
geof.d.nightingale@pwc.com