

Wage Subsidy Resurgence Scheme



Following the second public outbreak of COVID-19 in Auckland, the government announced on 17 August 2020 that it would further extend the wage subsidy scheme to 10 September 2020 via a new “Resurgence Wage Subsidy” scheme.

The rules are broadly the same as for the original subsidy and first wage subsidy extension, but the key differences and points to note are:

- Businesses can apply from 1pm on Friday 21 August 2020 until 3 September 2020.
- The subsidy is for 2-weeks from the day you submit your application.
- Businesses must experience an actual or predicted revenue drop of at least 40% in a 14 day period between 12 August and 10 September, compared to a similar period last year.
- You can't receive more than one COVID-19 payment for the same employee at the same time.

Our recommended approach is for businesses to view this subsidy in the same way as they have for the first two schemes, ensuring that they satisfy both the conditions within the declaration and also that they meet the “high-trust” model of the scheme. We already know from the previous two iterations of the Wage Subsidy Scheme that where there is a prediction being used, there is a high probability that this is challenging for businesses to substantiate.

Given the potential overlap in dates for some businesses between the extension and the resurgence scheme, potential claimants may wish to prioritise making a claim for the wage subsidy extension, given that this runs for an 8 week period as compared to a 2 week period for the resurgence scheme.

With there now being three versions of the wage subsidy and each of them having different criteria and periods they cover, there is no one size fits all approach. Businesses should carefully consider whether they can or should claim for either or both of the extension and resurgence schemes.

Useful links

[PwC COVID-19 Wage Subsidy](#)

[Work and Income Wage Subsidy](#)

[COVID-19 Resurgence 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.

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