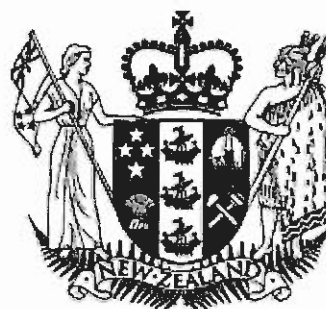


Christchurch Earthquake Support Package



Media Fact Sheet and Q&A

28 February 2011

Christchurch Earthquake Support Package

Recognising the effect of the February earthquake on Christchurch business and workers, the Government has implemented an initial support package to support the recovery and rebuilding of Christchurch.

The Christchurch Earthquake Support Package provides support to employers and employees in Canterbury affected by the February earthquake.

The Christchurch Earthquake Support Package is made up of two components:

- **Earthquake Support Subsidy** – a subsidy for employers who believe they are going to remain in business and want to keep their staff. They'll get \$3,000 gross to cover six weeks per employee (\$500 gross per week) or \$1,800 gross to cover part time staff for six weeks (\$300 gross per week).
- **Earthquake Job Loss Cover** – a \$400 a week in the hand payment for a period of six weeks paid to fulltime employees, (\$240 in the hand for part time employees). This applies to those who are unable to contact their employer or the business has closed permanently.

The **Earthquake Support Subsidy** gives companies a few weeks space to get back into operation while keeping their staff.

The **Earthquake Job Loss Cover** is available as an alternative for those who cannot make contact with their employer, or whose employer has closed permanently.

Earthquake Support Subsidy – For employers

What is it?

Earthquake Support Subsidy is an initial payment for employers to assist them to pay their employees while they deal with the initial impact of the earthquake. The subsidy is also available to the self employed or business owners who draw a wage.

If the workplace can re-open, we want to support employers to maintain their business and keep Cantabrians in work wherever possible.

The payment will be made directly to the employer who will then pay the employee. The wage subsidy will be paid:

- for a 6 week period from 22 February 2011.
- at a gross rate of \$500 per week per employee for full time employees (over 20 hours per week) or a gross rate of \$300 per week per employee for part time employees (anyone working 20 hours a week or less).

Who does qualify?

- New Zealand owned business
- Christchurch City Council area based employer
- Self employed, sole trader, or contractor
- Be unable to access the workplace due to damage, a cordon, or an essential service is not available, or who can open but are experiencing significant loss of trade

Employers who have business interruption insurance should contact their insurance company in the first instance. If insurance payments will be delayed, employers can access the Earthquake Support Subsidy to cover the intervening period, but will be required to repay it when the insurance payment is received.

Who does not qualify?

- employers who can continue to operate and/or meet obligations to pay employees
- government or government-related organisations
- international and large national organisations

Those with staff who have been injured or bereaved and who are receiving weekly compensation from ACC, cannot also get the Earthquake Support Subsidy for those staff members.

What constitutes the Christchurch City area in terms of these payments?

The Christchurch City Council area, which includes Akaroa-Wairewa, Burwood-Pegasus, Fendalton-Waimairi, Hagley-Ferrymead, Lyttelton-Mt Herbert, Riccarton-Wigram, Spreydon-Heathcote, and Shirley-Papanui. There may be exceptions to this and employers are encouraged to call and discuss their circumstances.

How to apply

- Online at www.workandincome.govt.nz.
- By phoning the government helpline on 0800 779 997 (this line is operating 24/7).
- At a Work and Income office if there is no access to internet or phone

What information is needed?

Employers need to provide their business IRD number, business bank account number, and the details of the staff requiring the subsidy (employee name and IRD numbers). This information will be confirmed by IRD before payment is made.

Employers need to contact Work and Income and their employees and make them aware of what is happening. Where employees have already applied for Earthquake Job Loss Cover before hearing from the employer, they will be transferred to the Earthquake Support Subsidy.

What if the business is Christchurch based but also has a presence outside of it?

Businesses with a presence outside of the Christchurch City Council area may qualify depending on the circumstances, and decisions will be made on a case by case basis.

What about those who are self-employed or rely on a wage from the business?

Self employed people or business owners who draw a wage from their business can receive the subsidy to support their own wages.

What if the business can open/operate but is experiencing a loss of trade?

Small businesses which can open but are experiencing a significant loss of trade can receive the subsidy for the initial six week period – this will be reviewed when decisions are made by government around continuing the subsidy.

Do employers have to pay GST, ACC levies, PAYE and Holiday Pay and other employment related expenses for employees if they get this subsidy?

Employers are required to pay ACC levies, PAYE, Holiday Pay, and all normal employment related expenses, but the Government has waived GST on the Earthquake Support Subsidy.

What if there is business interruption insurance but there are delays with payment?

Employers who have business interruption insurance should contact their insurance company in the first instance. If insurance payments will be delayed, employers can access the Earthquake Support Subsidy to cover the intervening period, but will be required to repay it when the insurance payment is received.

What about employers who haven't decided what to do with their business?

We would encourage employers to apply for the subsidy, to help them get through the intervening period while they make decisions about the future.

What about employers with part time staff?

Employers will receive \$1,800 gross per part time employee (\$300 per week per employee).

Part time is 20 hours or less per week.

What if the employee applies for the Earthquake Job Loss Cover before the employer applies for Earthquake Support Subsidy?

The employee will be switched to Earthquake Job Loss Cover as soon as practicable. It's important for employers to communicate with employees and let them know what they're doing.

When will payment go through?

Employers will receive an email/text advising when the payment is made. If all information is provided and matches the IRD records then payment will be made quickly. People will be advised of the progress of their application automatically.

How long will it be before the first payment is made?

The first payments will be made from Wednesday 2 March 2011. People will be notified when payment has been made.

Earthquake Job Loss Cover – For employees

What is it?

The Earthquake Job Loss Cover is a \$400 a week, in the hand payment for a period of six weeks paid to employees whose employers are no longer able to operate. It is backdated to 22 February 2011. For part time employees a \$240 a week in the hand payment is available.

Employees need to talk to employers about whether they feel that the business is still viable. Employers should get the Earthquake Support Subsidy to assist them in paying wages as the first option. If employees can't contact employers and are not working or being paid, then they can apply for the Earthquake Job Loss Cover payment.

Payment will be made direct to individual employees' bank accounts:

- \$400 net per week for full time employees(over 20 hours per week) or \$240 net per week for part time employees (anyone working 20 hours or less per week)
- paid weekly
- for up to 6 weeks from 22 February 2011

Who qualifies?

- those who were employed on 22 February 2011
- worked for an employer who was based in the Christchurch City Council area
- no longer have an employer (they have not accessed the ESS and have decided not to operate) or cannot contact their employer.

Those receiving a benefit, ACC weekly compensation, or a Civil Defence Payment for loss of livelihood are not eligible for the Job Loss Cover. Employees cannot get the Earthquake Job Loss Cover payment if their employer is already getting the Earthquake Support Subsidy.

How do to apply

- Online at www.workandincome.govt.nz.
- By phoning the government helpline on 0800 779 997. This line is operating 24 hours a day.
- At a Work and Income office if there is no access to internet or phone

What information is needed?

Personal details, bank account and IRD number. This information will be confirmed by IRD before payment is made. If people are unsure of their IRD number, they should contact IRD on 0800 227 774.

What constitutes the Christchurch City area in terms of these payments?

The Christchurch City Council area, which includes Akaroa-Wairewa, Burwood-Pegasus, Fendalton-Waimairi, Hagley-Ferrymead, Lyttelton-Mt Herbert, Riccarton-Wigram, Spreydon-Heathcote, and Shirley-Papanui. There may be exceptions to this and people are encouraged to call and discuss their circumstances.

What if the employee wasn't at work on 22 February 2011?

Those who were employed on 22 February 2011 will be eligible for the Earthquake Job Loss Cover, regardless of whether they were at work on that day.

What if the employee has already registered for a benefit?

Those who have applied for a benefit as a result of the February earthquake can choose to receive either the Earthquake Job Loss Cover or benefit. The application process will identify if people are already receiving a benefit and someone will be in contact to discuss options.

Are there work obligations for those who receive Earthquake Job Loss Cover?

No, there are no work obligations attached to receiving Earthquake Job Loss Cover.

Is there an income and asset test for the Earthquake Job Loss Cover?

No, there is no income or asset testing. People will receive support regardless of their other income, their partner's income, or their assets.

What if I have accessed Civil Defence Payments for loss of livelihood?

You are not able to receive both payments, your Civil Defence Payment for loss of livelihood will need to stop before you can then get Earthquake Job Loss Cover. You can however still receive Civil Defence payments to cover accommodation costs if required.

What about people who have been injured and have applied for, or are receiving ACC weekly compensation payments?

People cannot receive both payments and will not be paid Earthquake Job Loss Cover.

When will payment go through?

Where possible employees will receive an email/text advising when the payment is made. If all information is provided and matches the IRD records then payment will be made quickly. People will be advised of the progress of their application automatically.

How long will it be before the first payment is made?

If people apply and their IRD number is verified they should receive payment quickly. The first payments will be made on Wednesday 2 March 2011. People will be notified when payment has been made.