

# Critical HR during COVID 19

SOUTH CANTERBURY

CHAMBER OF COMMERCE

*Business Vitality*

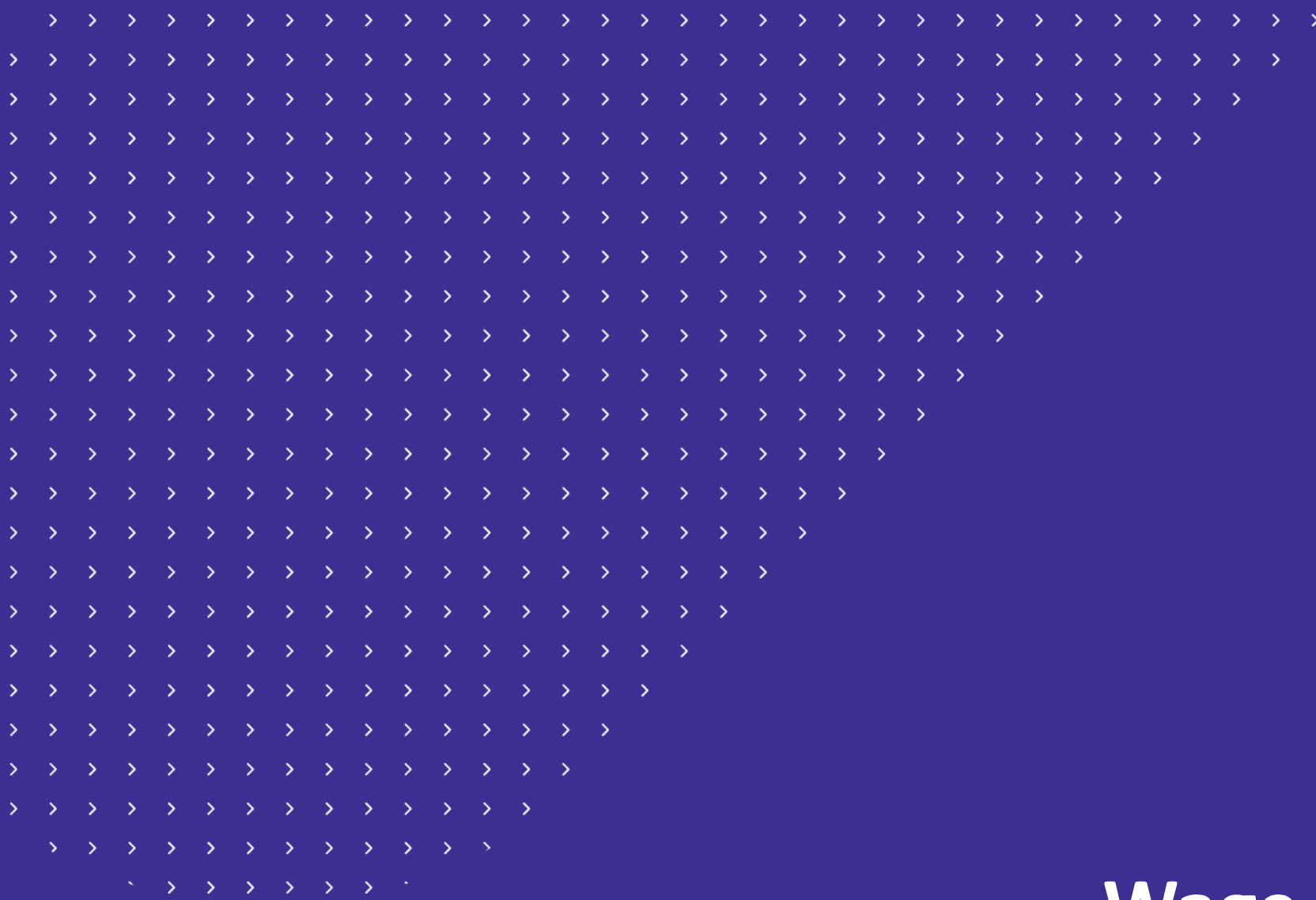


Providing advice and support to employers on the implications of the COVID-19 outbreak.

Wage Subsidy

Essential Business Leave

Employment Legislation and need for compliance



# Wage Subsidy



# Wage Subsidy

## No substantial changes since our last webinar

What if an employee resigns during the subsidy period? – this does not need to be repaid and can be applied to other staff

What's regular income for calculating 80%? - as specified in the employee's employment agreement as at 26 March 2020

Do I need to refer to the subsidy on the payslip? – no

Stat holidays – to be paid at the relevant daily pay or average daily pay

When do you pay 80% or just the subsidy?



# Essential Workers Leave Support



# Who can get it?

## **Cannot have applied for Subsidy**

You cannot receive both the Wage Subsidy and Leave Payment

## **Business must be an essential business**

Essential business as per MBIE/Ministry of Health Guidelines

## **30% decline in business or**

## **Not be able to financially support the employee due to COVID-19**

have experienced a minimum 30 per cent decline in actual or predicted revenue over the period of a month when compared to the same month last year, or a reasonably equivalent month for a business operating less than a year, and that revenue loss is attributable to the COVID-19 outbreak; or

## **Restrictions**

not be able to financially support your employee due to the COVID-19 public health restrictions. For example, the cost of paying for your employees' leave and paying for replacement staff is significant.



# The Employee

**Are required to stay at home due to the Ministry of Health Guidelines**

are at higher risk if they get COVID-19, and [Ministry of Health guidelines](#) recommend they stay at home while we're in lockdown (and potentially longer)

come into contact with someone who has COVID-19 and must self-isolate for 14 days (as required by [Ministry of Health guidelines](#))

**This does not apply for employees who cannot work due to lack of childcare**

have tested positive for COVID-19 and are required to remain off work until they've been cleared by a health professional to be released from self-isolation, or

have household members who are at [higher risk if they get COVID-19](#) and Ministry of Health recommend the worker also remains at home to reduce the risk to them.

Cannot work – not cannot come in to work. I.e. working from home will not qualify



# What do you get

**Same as the Wage Subsidy but for four weeks**

**\$585.50 for employee working 20+ hours, \$350.00 for less than 20 – for a period of 4 weeks**

Payment is the same as the Wage Subsidy – no tax to the employer but normal deductions at payment

You must use your best endeavors to pay staff at least 80% of their wage

If their normal wage is less than the subsidy, then pay them their normal wage

Absolute minimum is the subsidy as a gross amount





# Specifics

## **When does it start**

The period covered by the leave subsidy is from the date of your application. This is important if you need to reapply.

## **If I need to reapply**

You can reapply as many times as needed, but you can only reapply once the first three weeks of the leave payment has lapsed

You do not need to receive a doctors certificate or any other proof from an employee

## **You Don't Need Proof**

Paying an employee is the same as under the Wage Subsidy – best efforts to pay 80%



# Important Considerations

## **Read the declaration**

The Declaration sets out exactly what you are saying you will do, and what information you will pass on to MSD

## **Need employee's consent before applying**

You need the consent of the employee before you pass on the information to MSD

## **Does not prevent redundancies**

You can apply for this payment and make the employee redundant – just not during the subsidy period

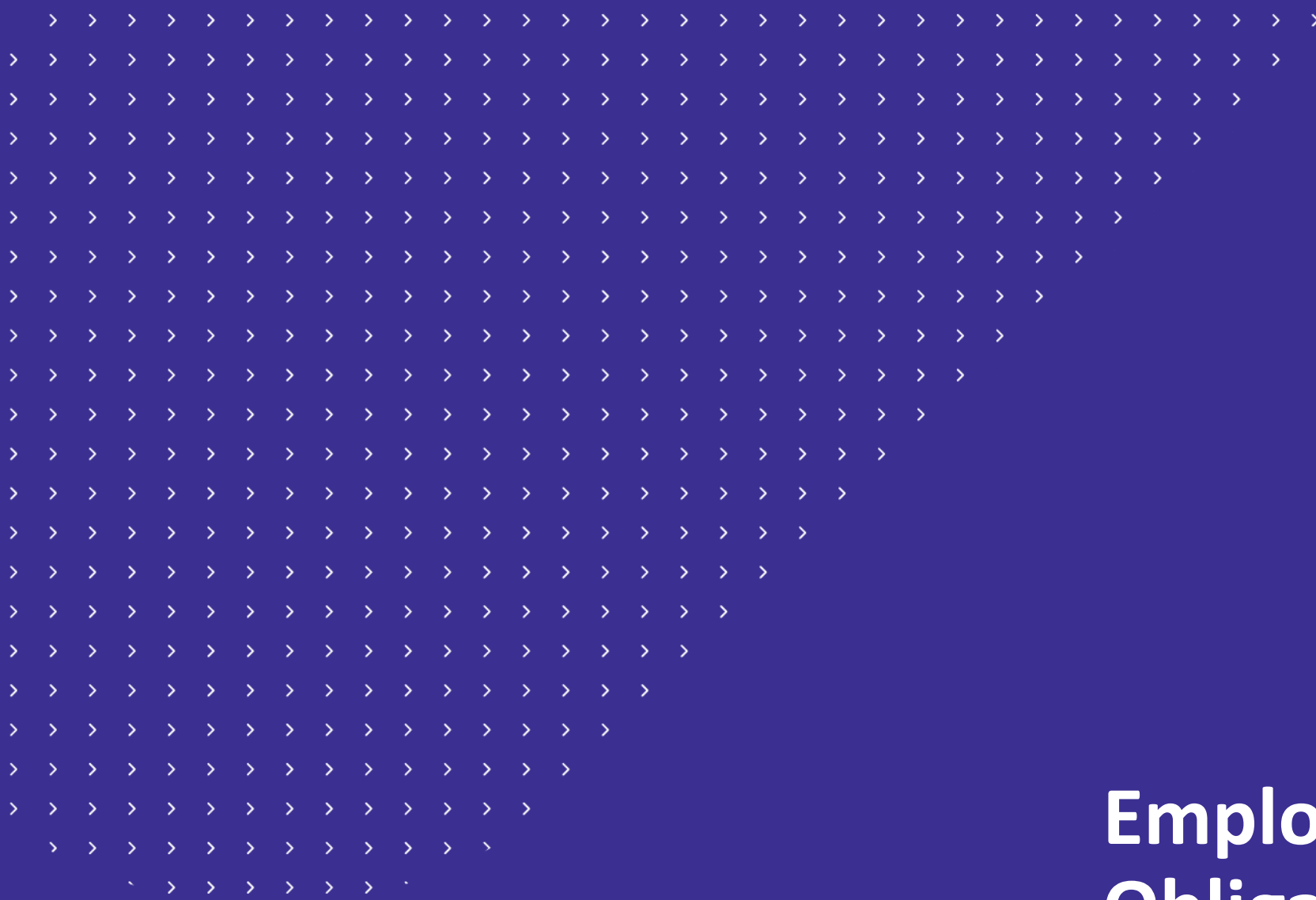


# Impact on annual leave and sick leave

## Normal rules apply

Annual leave – can be taken when an employee/employer agree or an employer can require an employee to take leave on 14 days notice – following consultation – you cannot force an employee to take annual leave in advance

Sick leave – technically only to be taken when employees are sick. While you can agree to use sick leave when an employee is not sick (or looking after someone who is sick), there are potential risks with this.



# Employers Rights and Obligations



# Employment Law

## The world may have changed but Employment Law hasn't

It is important to remember that the COVID 19 shutdown has not changed employers and employees obligations under employment law.

Importantly there is an obligation on both parties of good faith.

For employers it is important to remember the "fair and reasonable" employer and the duty of consultation.

The duty of good faith in subsection (1)—

(a) is wider in scope than the implied mutual obligations of trust and confidence; and

(b) requires the parties to an employment relationship to be active and constructive in establishing and maintaining a productive employment

relationship in which the parties are, among other things, responsive and communicative; and

(c) without limiting paragraph (b), requires an employer who is proposing to make a decision that will, or is likely to, have an adverse effect on the continuation of employment of 1 or more of his or her employees to provide to the employees affected—

(i) access to information, relevant to the continuation of the employees' employment, about the decision; and

(ii) an opportunity to comment on the information to their employer before the decision is made.]



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For employers it is important to remember the “fair and reasonable” employer and the duty of consultation.

Employers cannot simply say – we’re reducing your pay to 80%



# Changes to your workforce

## Changing hours, pay, redundancy/restructuring

There is an obligation on employers to consult with employees on decisions which impact them. This applies to all these different matters.

Consultation will look different in the lockdown environment, it might take place over the phone, via email or video conferencing.

- inform staff of the proposal and the rationale behind it,
- Provide an opportunity for feedback
- Consider any feedback
- Communicate any decision

Consultation should still follow this rough guideline





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# Where to go for more info

[www.timpanywalton.co.nz](http://www.timpanywalton.co.nz)

[Chamber of Commerce](#)

## [Other websites](#)

[www.covid19.govt.nz](http://www.covid19.govt.nz)

<https://workandincome.govt.nz/products/a-z-benefits/covid-19-support.html#null>

<https://www.business.govt.nz/news/coronavirus-information-for-businesses/>

<https://workandincome.govt.nz/employers/redundancy-support/index.html>

<https://www.employment.govt.nz/about/news-and-updates/workplace-response-coronavirus-covid-19/>



# Need Help?

## Ask

### Regional Business Partner Support – through the Chamber

RBP Scheme – very broad – can get government assistance in HR, Health and Wellness, Business Continuity Planning and Finance and Cashflow Management

Timpany Walton are approved to provide HR support through the RBP Scheme.

Initial consultation - \$350.00 (excluding GST) – any wage subsidy/leave subsidy queries, whether redundancy is right for the business/what you're trying to achieve.

Redundancy process can start from \$500.00 depending on the level of involvement, how much you do yourself.