



# Update to the Wage Subsidy Scheme

Update to all our fabulous clients and friends who are experiencing the effects of the lockdown,

The government has modified the wage subsidy scheme and has provided some further clarification around how it applies. Please see the attachment for a full explanation but the highlights are:

- The government's emphasis is to keep people employed and to avoid widespread redundancies
- The scheme is aimed at businesses that have had to shut down and could be paying employees for a sustained period even though they are not actually working, as well as those whose staff are working but have been affected adversely
- Employers are eligible to apply when they have a 30% revenue drop attributable to the virus (this can be based on projections)
- It covers all types of businesses including charities but excludes state sector organisations
- Applications under the original scheme have closed but are now open under the modified scheme
- Essential business that remain open during the lockdown are also eligible for the scheme subject to the 30% reduction requirement
- From a tax perspective, subsidy payments are excluded income to businesses and are also GST exempt. When passed on as wages, businesses don't get a deduction for income tax purposes

Please refer to the entire document released by the government (attached) and if you have any queries please do not hesitate to get in touch with us. As you already know, we are up and running remotely and are here to help you through these difficult times; please reach out if you need assistance.

Stay strong, stay healthy and stay positive – we will get through this.