

# PolsonHiggs

*Business advisors*

## March 2021

Like the rest of New Zealand, we are awaiting the news that we will hopefully be moving back to Level One on Sunday. But regardless of the news, business continues, and the end of the financial year is fast approaching.

In this newsletter we are going to cover:

- **Polson Higgs and Level Two**
- **Resurgence support payments:**
- **Other Covid-19 Relief**
- **Countdown to 31 March!**
- **March 31 and your team**
- **Is it time to hire?**

## Polson Higgs and Level 2

Under either Level One or Two our offices will remain open and we are happy for clients to visit. As there is an increased possibility that some of our team maybe working from home (if they have a cough, then they're "off") it is preferable that you make an appointment.

## Resurgence Support Payments

As Auckland has had its alert level increased to Level Two for seven days or more, your business maybe eligible for a resurgence support payment. Your business does not have to be based in "Auckland" as long as you meet the criteria:

- May be activated if any part of the country has its alert level increased to two or above for seven days or more
- Opens seven days after the alert level increase – currently until 22 March 2021
- Decline in actual revenue of 30% over typical seven day period in the six weeks prior to the change in alert levels
- Must have been in business for at least 6 months, be viable and ongoing.

- Four times (4x) the actual revenue drop experienced by the applicant.
- Businesses with low revenue will have their payment capped at four times (4x) the amount their revenue has dropped over the seven-day period. For example, if your business has three FTEs, they would be entitled to \$2,700. However, if their revenue drop was \$500, their RSP payment would be limited to \$2,000.

If you have any questions about the Resurgence support payments or would like assistance to make an application, please feel free to contact your Manager or Partner.

## Other Covid-19 Relief

There are still a number of other support packages that you or your business maybe eligible for. Aside from the **Resurgence support payments (see above) the most likely you need are:**

### Short-Term Absence Payment

- All Alert levels
- Workers, parents of dependents who stay home while waiting for a COVID-19 test result (includes self employed and shareholder employees)
- Must miss at least one shift of work and be unable to work from home
- \$350 per worker – full time or part time - once per worker every 30 days (unless required to take a second test)
- In lieu of sick leave
- If your employee was entitled to sick leave, you will need to use the subsidy to pay your employee their entitlement under the Holidays Act.
- If they were not entitled to sick leave you should pay them as if they worked that day, or at the very least the amount of the subsidy received.
- If the subsidy is higher than the amount owed, then you pay the staff their entitlement and the difference can be used to pay any other affected staff.
- Apply online through MSD



**Leave support scheme**

- Workers who need to take leave due to COVID-19 public health guidance (including self employed and shareholder employees).
- If told by a health official to self-isolate and cannot work for home.
- Generally, a close contact who has to self isolate for two weeks
- Lump sum covering two weeks (can reapply if required)
- \$585.80 a week 20+ hours (80% of minimum wages), \$350 less than 20 hours
- Best endeavour to pay employees normal wages, but minimum is the subsidy received
- If the subsidy is higher than the amount owed (part timers), then you pay the staff their entitlement and the difference can be used to pay any other affected staff
- Apply online through MSD

If you have any questions around your eligibility for support or would like assistance with an application, please do not hesitate to contact your Partner or Manager.

## Countdown to 31 March!

With March 31st drawing ever closer we spoke to our Business Advisory and Tax teams about what are the key things people in business should remember. Here is the list that they came up with, just in case they have slipped your mind:

- Review your financial plan
  - Prepare for the coming financial year, and years into the future as well
  - Look over bad debts
  - Consider doing a stocktake
  - Consider final dividend payments
  - Reflect on your goals – “were they achieved? What could we have done differently?”
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- COVID-19 impact – “how have we responded? Has the response been successful?”
  - Subvention payments – if you’re planning on making one, keep in mind the payment must be made before the due date of the IR4 for the income year that the subvention payment relates to
  - LTC elections are due 31 March 2021

If you have any questions, feel free to contact your Manager or Partner. We also offer a complimentary client review service with Donna Hall, Business Development Manager at Polson Higgs. Email [info@ph.co.nz](mailto:info@ph.co.nz) to find out more.



## March 31 and your team . . .

For those of you that employ staff, it's important to remember that many changes to employment law will come into effect on the 1st of April. The biggest change is an increase in the minimum wage to \$20 per hour (\$800 per 40-hour week).

Aside from any changes you may need to make to your payroll system to accommodate the increase, you should also consider relativity issues. How will the increase affect the relative wages of other members of your team?

There is currently the Holidays (Increasing Sick Leave) Amendment Bill before select committee. This bill, when passed (which given its support by Government it will be) increases annual sick leave entitlements from 5 to 10 days per employee. This is a significant change, which could potentially double the annual sick leave costs for each employee, so provision maybe needed in you budgets.

Alongside this the Holidays Act (2003) is currently under review and we have the first Matariki public holiday next year on **June 24 2022**. All of which mean a busy year in the HR space. If you would like to discuss how any of the above changes will affect you, feel free to get in touch at [hr@ph.co.nz](mailto:hr@ph.co.nz)

## Is it time to hire?

The Government has recently reported that the unemployment rate was at 4.9% in December. This is not as low as the 4% we had before the effects of COVID-19 began (and an even further cry from March 1952 where there were only two people on the unemployment benefit in all of NZ!), it is without a doubt a positive move down from September's 5.3%.

Recently Polson Higgs surveyed a sample of our clients regarding their intentions to hire new staff in the next three months. One in eight (12.5%) replied in the positive. This is in line with MBIE's national survey of employment intentions from December. With 15% of businesses looking to hire staff or 33% hiring staff right now or in the next six months. That increased to a staggering 48% who intend hiring now or in the next 12 months.

It is clear that most businesses have a positive outlook on the economy, with many also having plans to recruit in the coming year.

If you are intending to recruit later in the year, now is a really good time to begin planning. Some of the important things to think about right now are:

- What do you really want the role you're recruiting for to do?
- What skill set do I need to bring into my organisation, in order for it to operate more effectively and efficiently?
- If it's an existing position, do you want the new employee to have the same skill set as the last person in that role, or is there something different that would be better suited for your business' needs?

Careful review and refinement of the role you plan to recruit for is key to hiring the right person for your business.



If you have any questions or you would like some help with the recruitment process for your business, don't hesitate to contact our HR team. You can reach us at [hr@ph.co.nz](mailto:hr@ph.co.nz)

**New Webpage** - We have added a new page to our website and are gathering different resources for you to use. Check out [Polson Higgs Covid-19](#)

If you have a question about anything, please don't hesitate to ask on [covid19@ph.co.nz](mailto:covid19@ph.co.nz).

Stay safe and keep in touch.

Kind regards  
**Polson Higgs Team**