

CHRISTCHURCH EARTHQUAKE SUPPORT PACKAGE

The Government in response to the devastating earthquake last week have announced the Christchurch Earthquake Support Package. 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 \$500 gross per week or \$300 gross per week to cover part time staff for up to six weeks.
- **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.

This package does not provide support to:

- Employers who can continue to operate and/or meet their obligations to pay their employees
- Government or government-related organisations
- Those who have been injured or bereaved and who are receiving weekly compensation from ACC
- Employers already receiving insurance payments that cover lost wages

Earthquake Support Subsidy For Employers

This scheme 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.

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

- for up to 6 weeks 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 Qualifies for the Subsidy?

- New Zealand owned business
- Christchurch City Council area based employer or
- 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.

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

The Christchurch City area 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 names, date of birth and IRD numbers). This information will be confirmed by IRD before payment is made.

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.

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 for the following amounts:

- \$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 to apply for Earthquake Support

- 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