

Case study - Non-essential business + Minimum waged worker

James is a barista at a Wellington café. James earn the minimum wage. The café is closed for the lockdown and has had a 30% loss in revenue. James' employer cannot afford to pay any wage to James, but wants to keep him on. James does not want to use his annual leave entitlements.

James' employer can access the wage subsidy and pay \$585.80 per week to James, without James being required to do any work. James retains his annual leave entitlements to use at a different time.

Case study - Able to do some work from home + Full-time worker

Sam is a civil engineer. He usually works 40 hours per week at \$30 per hour, with a usual gross income of \$1200 per week. The business is non-essential and closed for the lockdown and has had a 30% loss of revenue. Sam can do some work from home over this period. He works 30 hours per week for the duration of the Alert Level 4 lockdown period.

Sam's employer can access the wage subsidy and pays Sam his usual salary at the agreed reduced hours, which is \$900. Sam's employer can use the \$585.80 per week to subsidise Sam's wages, this means Sam's employer will top up the wage subsidy with \$314.20 to compensate the hours Sam worked.

Case study - Non-essential business + Can do some work from home

Phil is a HR advisor in a medium-sized business and works full time. The business is non-essential and closed for the lockdown and has experienced a 30% loss of revenue. Phil can do some work from home. He does 8 hours per week. His hourly rate is \$25 per hour.

Phil's employer can access the wage subsidy. Their revenues have dropped so much that they are worried as they will be unable to retain their staff. Under employment law, Phil must receive \$200 per week for the hours worked, but as the wage subsidy for a person working part time prior to the shutdown is \$350 (and the employer is able to access that payment), the employer must pass that total amount to Phil.

Case study - Non-essential business + Unable to work

Craig is a waiter at a successful restaurant chain that also needs to close during the lockdown. Craig was getting paid \$1,000 per week. Craig's employer has committed to paying full wages to their staff as they know that such workers will be in demand as the lockdown ends. The restaurant has suffered a 30% loss in revenue due to COVID-19.

Craig's employer can access the wage subsidy scheme to pay Craig \$585.80 per week, and the employer can then top that up with \$414.20 per week to ensure Craig receives his full income.

Case study - Essential business + Able to work

Steve is an essential services worker, ensuring certainty of electricity supply. Steve is really busy, working his normal hours and getting paid at his normal rate, and his business has not been affected by COVID and does not require support to pay or retain its staff.

Steve's employer does not need to apply to the wage subsidy scheme.