



COVID-19 WAGE SUBSIDY FAQ

8 NOV 2021

How much is the Covid-19 Wage Subsidy which began August 2021?

The Wage Subsidy August 2021 will cover a two week period at the rate of:

- \$600 a week for each full-time employee retained (20 hours a week or more)
- \$359 a week for each part-time employee retained (less than 20 hours a week).

Do I qualify to apply for the Covid-19 Wage Subsidy?

As a person working in the music industry you are eligible to apply for this Wage Subsidy if you are self-employed, sole trader, or own your own company.

If you solely work in the music industry you qualify for the full time employee rate.

How will I be able to prove that I am self-employed or a sole-trader?

Via your bank statements and invoices

What if I am a sole trader and operate through my own company but don't draw a regular salary?

If a sole trader operates through a Company, they usually need to prove that they personally receive income from the Company. IRD usually verify this by checking if a shareholder salary is paid to shareholders. However, if no shareholder salary has previously been declared, shareholders can usually demonstrate that they receive income if they take frequent withdrawals from the Company for personal use.

You can show that you pay yourself from your company via bank statements.

What evidence do I need to prove my decline in revenue due to the change in Alert Levels?

Via your bank statements and invoice

What is the tax situation with the Covid-19 Wage Subsidy?

The Covid-19 Wage Subsidy August 2021 is not subject to income tax and does not include GST.

How do I know that I meet the 'revenue decline test' if I don't earn regular income?

To qualify for this wage subsidy you are required to show that you have had a 40% decrease in revenue due to your business being affected by the continuation of Alert Levels 3 or 4 from 17 August 2021.

This is measured by comparing revenue for a 14 day period in the 6 weeks before 17 August 2021 with a specified 14 day period for the application.

If your revenue isn't regular you fit into the 'highly seasonal revenue' where you can show a 40% decline in the same 14 consecutive days from 2020 or 2019.

I employ contractors as part of my business. Can I claim the wage subsidy for them?

Contractors do not count as employees. If a Company frequently pays self-employed contractors, they cannot include these Contractors as employees. Instead, the contractor should apply for the wage subsidy in their own name.

Am I able to retrospectively apply for all the wage subsidies to date?

Unfortunately not. You can only apply for each Wage Subsidy within the allocated two week period they are open.

There have been 6 rounds of wage subsidy payments since the Alert Level Increase on 17 August 2021. However, the 6th round is the only payment still open so if the previous rounds were not applied for, you are not able to back date the payments

For more info, including what's currently available, [click here.](#)

A huge thanks to Entertainment Accounting for providing the advice involved in putting this resource together.

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This document has been compiled by music industry bodies to provide guidance for those working in the music community. It is based on general information provided by Work and Income and the IRD, along with accounting advice, and is subject to change if the information provided by the government changes.