

Latest Government Business Support Package - Covid-19 Resurgence Support Payments

Resurgence support payment - RSP

After the latest Auckland lockdown, the Government passed its most recent business support package (Covid-19 Resurgence Support Payments and Other Matters) which provides for businesses effected by the resurgence of Covid-19.

The RSP is available to all businesses anywhere in New Zealand when we go into a Level 2 or higher and where that higher level remains in place for seven days or more.

Businesses can apply when they have experienced a reduction in revenue over a seven-day period of at least 30% compared to the typical weekly earnings in the six-week period preceding the change in alert levels.

Revenue refers to income generating activity by a business or organisation. For a cashflow business, such as a restaurant, this is likely to be the daily takings. For a business that invoices clients, this will be the activities the business carries out that would entitle it to bill or invoice either immediately or at a later date.

Businesses can apply each time there is an alert level change from Level One to a higher level, and the higher level lasts more than seven days.

The applicant can choose the start date of the 7-day period where they experience a drop in revenue as long as the total period is within the increased alert level period. Businesses and organisations (including sole traders) must have been in business for at least 6 months.

Businesses with more than 50 employees will also be eligible to apply for the RSP however any claim will be capped at 50 employees.

The RSP is calculated as the lesser of:

- \$1,500 plus \$400 per FTE employee up to 50 employees maximum; or,
- 4x the actual revenue drop experienced by the applicant.

We advise you keep a record of the calculations in the event the IR want to check.

GST will apply to the payments, which equally means GST input tax remains claimable on RSP funded expenditure.

Applications for the RSP will be able to be made from 23rd February, and an application period will close one month post the date of return to Level One. IR will manage the RSP regime, targeting to have the payments released to the applicant's bank account within five working days.

Receiving any other Government COVID-19 support such as the Small Business Cashflow Scheme and the Leave Support Scheme does not affect eligibility for the RSP.

As always, we are here to support you and your businesses through this time.

Stay safe & best regards

Robertson Bixley Team