

By the time this edition of NZ Plumber reaches our readers, this fast-moving situation will doubtless have changed again, so please ensure you visit [covid.govt.nz](https://covid.govt.nz) and [chasnz.org/covid19](https://chasnz.org/covid19) for the very latest information.

# COVID-19 AND THE PLUMBING INDUSTRY

Plumbers, gasfitters and drainlayers have been impacted in many ways by the COVID-19 pandemic. *NZ Plumber* takes a look at the ever-evolving situation and what support is available for the industry.

**O**n 27 April, New Zealand moved from the COVID-19 lockdown to Alert Level 3 and this was to be reviewed after a fortnight. For plumbers, gasfitters and drainlayers this meant the ability to return to work in clients' homes and on worksites, but with restrictions in place in order to 'operate safely'—keeping at least one metre between workers and two metres from others, recording who is working together, limiting interaction between groups of workers, keeping contact tracing records, disinfecting surfaces, and maintaining high hygiene standards.

Staff who are sick or have COVID-19 virus symptoms should stay home and ring ahead to the GP or Healthline. 'Vulnerable' staff (elderly, with underlying health conditions or living with someone with underlying health conditions), should not return to work at this level.

Businesses were allowed to return to their premises ahead of Alert Level 3 to ensure they were cleaned, stocked with cleaning and hygiene products and arranged appropriately. At Alert Level 2, businesses are still encouraged to use alternative ways of working, where possible, to reduce people movement and interaction. For example, a business could use staggered shifts to reduce the amount of interaction between workers on the premises.

### COVID-19 construction protocols

Shortly before the move to Alert Level 3, the Construction Sector Accord released COVID-19 protocols for vertical, horizontal and residential construction work, which were developed with direct input from Master Plumbers. These 'living documents' sit beneath a new COVID-19 construction operations industry standard and are available on the website of Construction >>>



**There is currently no vaccine against COVID-19 but, with winter approaching, it's advisable to get a seasonal flu shot if you can to protect yourself from a potential double whammy of illness.**

# Keeping it clean

High levels of hygiene are extremely important in the continuing fight to eliminate the COVID-19 virus.

## GENERAL HYGIENE

- Stay at home if you're unwell (ring ahead to your GP or the 0800 Healthline if needed)
- Cough or sneeze into your elbow and put used tissues in the rubbish bin
- Have sufficient stocks of hand sanitiser, tissues, soap and cleaning supplies in your business
- Have a regular cleaning schedule in your business premises, with the focus on high-use areas, such as phones, computers, printers, bathrooms, kitchens and door handles.

## HAND-WASHING

- Good hand hygiene is essential to minimise transmission of infectious droplets
- Wash your hands thoroughly with soap and water for at least 20 seconds, making sure you dry them thoroughly
- You can also use hand sanitiser if soap and water are not available and if your hands are not visibly dirty
- If using hand sanitiser, cover all surfaces of your hands and rub them together until they feel dry
- Keep soap and a Thermos of warm water, or hand sanitiser, available in your work vehicles

## TOOL CLEANING

- Keep work vehicles, workplaces and tools clean
- Always decontaminate equipment after use
- When choosing cleaning chemicals, look for cleaning agents with claims against viral pathogens
- If not available, use soap and water and dry tools thoroughly
- Avoid sharing tools to the greatest extent possible.

## PPE CLEANING

- Full PPE is still required for those dealing with wastewater, sewage, plumbing vents, rooftop HVAC and exhaust fans
- Change out of PPE before leaving the site and store the soiled clothes in a plastic bag
- Launder the soiled clothes separately
- Clean other PPE following manufacturers' instructions
- When you finish work, wash immediately with soap and water.

## RETURNING HOME FROM WORK

- Don't touch anything on arrival
- Remove your work shoes and don't wear them inside
- Have a shower and wash your work clothes.



# COVID-19 CONSTRUCTION INDUSTRY PROTOCOLS

A new industry COVID-19 construction operations standard was released on 16 April. Beneath it sit two protocols that give guidance to the residential and commercial construction sectors on how to comply with the standard. These are living documents, so bookmark the [chasnz.org/covid19](http://www.chasnz.org/covid19) web page to ensure you're using the latest version. You should also have your own plan to show how you are applying the protocols in your workplace and on worksites. This plan may be audited by WorkSafe.



- Find the industry standard and protocols, together with tools and resources, at [www.chasnz.org/covid19](http://www.chasnz.org/covid19)
- Listen to Chris Alderson, CEO of Construction Health & Safety NZ, explain the standard and protocols in a webinar recording, also available on the CHASNZ website.

“For as long as the pandemic is still active, it should be assumed by anyone working on a sanitary drainage system that the virus is present. All plumbers and drainlayers working on these systems are strongly recommended to wear personal protective equipment (PPE).”

**MARTIN SAWYERS**  
Chief Executive, Plumbers,  
Gasfitters & Drainlayers Board

Health and Safety New Zealand (CHASNZ), the peak health and safety body for the sector—  
[www.chasnz.org/covid19](http://www.chasnz.org/covid19)

The residential protocols note that each construction site operating at Alert Level 3 or 2 must have a COVID-19 Controls Plan in place to guide how the principal or main contractor and contractors will manage work on site and the controls they will use to minimise the risk of COVID-19 transmission. WorkSafe has developed a COVID-19 Safety Plan template for businesses to use (see resources).

Plumbers, gasfitters and drainlayers can carry out work in people’s homes as long as they keep a 2m separation from occupants. Elderly occupants or people with underlying health conditions should be asked to stay in another part of the house if at all possible, well away from the tradespeople on the job and tradespeople should wear a face mask in such homes. Contactless invoicing and payment are still the ideal.

### Contact tracing

With our ‘bubbles’ now extended beyond our immediate households, contact with other people is ‘restricted’ rather than ‘eliminated’ at Alert Level 3. As a result, contact tracing has become an essential part of the picture to be able to track people who may have been exposed to the virus.

With tradespeople out on the road visiting work sites, homes, merchants and fuel stations in the course of the day, businesses must have a system in place for staff to keep a log of who they came into contact with, when and for how long. There also needs to be a system to record the identity of people coming into your business that notes what time they entered and what time they left.

Master Plumbers is helping its members with contact tracing records by providing a form on the Master Plumbers Health & Safety App that can easily be used by team members out in the field (see Resources panel on p21).

GETTING READY TO RETURN TO WORK

## Under COVID-19 Alert Level 3

**Maintain social distancing**  
**Maintain hand washing/hygiene**  
**Keep contact tracing records**  
**Stay home if unwell**

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Find COVID-19 resources at  
[www.masterplumbers.org.nz](http://www.masterplumbers.org.nz)  
to keep the bubbles safe!

Master Plumbers  
Engineering solutions

This visual from Master Plumbers shows the importance of continued social distancing during COVID-19 Alert Level 3.

**WORKSAFE**  
Mahi Haumarū Aotearoa

### COVID-19 safety plan

Use this form to document your thinking about how you and your workers will keep safe at work during the COVID-19 pandemic. Provide as much information in response to each question as possible. This information will help your workers and other people to know exactly what to do and what to expect.

The COVID-19 pandemic is an evolving situation - review your plan regularly and make changes as required.

There is guidance on what to think about when you're planning a safe return to work here: [worksafe.govt.nz](http://worksafe.govt.nz)

You don't need to send this plan to WorkSafe for review or comment.

**Company details**

Business name:	Manager approval:	Worker representative consultation:
Division/group:		
Date completed: / /	Name of manager:	Name of worker representative:
Date distributed: / /		
Revision date: / /		

TEMPLATE

Refer to the WorkSafe guidance for constructing a COVID-19 safe work plan for full details.

DESCRIBE WHAT YOU WILL DO	WHO IS RESPONSIBLE
What will be done to manage risks from restarting business after lock-down? Consider: Changed workforce, changed rosters, hygiene requirements (surfaces, separation, toilet), maintenance, ventilation systems. Example: Restart the line - carry out restart procedure and sterilise all touch surfaces.	Engineering supervisor
How will you ensure all your workers know how to keep themselves safe from exposure to COVID-19? Consider: Providing guidance, meetings to discuss distancing and hygiene, regular review. Example: Ensure our procedures are up to date by a daily review of Ministry of Health guidance.	Administrator

© 2020, 2021, 2022 WorkSafe  
New Zealand Government

worksafe.govt.nz 0800 050 040 1/3

All operating businesses must have a COVID-19 Safety Plan and may wish to use the template on the WorkSafe website.

# EMERGENCY PPE

## FOR THE PLUMBING, GASFITTING & DRAINLAYING INDUSTRY

Safety goggles (clear lens)  
OR  
Assembled browguard with clear visor

Disposable respirator with valve (carbon filter optional)  
OR  
Twin filter half mask respirator with replaceable cartridges  
OR  
Maxi half mask with replaceable cartridges and prefilters

Disposable coveralls

High risk latex gloves

Disposable non-slip over booties  
OR  
PVC gumbots

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Representing Excellence

Tradespeople dealing with wastewater and sewage should still wear full emergency PPE during Alert Level 3, as illustrated in this diagram from Master Plumbers.

### Use of PPE

Full PPE (see diagram) is still a necessity for those dealing with wastewater, sewage, plumbing vents, rooftop HVAC and exhaust fans, where the COVID-19 virus may be present, and a high level of protection is required. For other work, the necessary level of PPE should be determined by carrying out a Job Safety Analysis.

With the jury still out on the efficacy of face masks, it is up to individual businesses whether or not they want their teams to wear them to jobs—although they should be worn as an extra precaution when working at homes with occupants aged 70+ or people with underlying health conditions. For face masks to have any effect at all, they must be worn on a clean-shaven face.

PPE is always the last resort for eliminating or minimising health and safety risks. Good hygiene measures like hand washing with soap and water,

### COVID-19 LEVEL 3 SITE OPERATING INSTRUCTIONS

#### STOP BEFORE YOU ENTER THIS SITE

- You are not permitted to enter this site unless you are scheduled to do so.
- Portable toilets are equip with wash stations.
- Before signing in please wash your hands using the provided wash stations or sanitizer for a minimum of 20 seconds.
- Please ensure you follow the latest guidelines by the Ministry of Health using all necessary Personal Protective Equipment (PPE) before entering this site. (health.govt.nz)
- If you are a visitor or delivering materials, please contact the respective Site Supervisor before entry.
- You must sign in and record arrival and departure dates.
- You must complete the health declaration and notify all work sites which you have visited during this work day.
- Only one trade group is permitted to enter this site at any stage.
- You must ensure you maintain 2 meters (horizontal and vertical) from any other person on site at any time.
- NO sharing of tools.
- Sneeze and cough into your sleeve and avoid touching your face.
- Complete the sign out procedure including acknowledgement of the COVID-19 daily updates.

#### STAY AT HOME IF YOU ARE UNWELL AND NOTIFY THE SITE SUPERVISOR IMMEDIATELY

This site is supervised by:  
NAME: \_\_\_\_\_  
CONTACT: \_\_\_\_\_  
EMAIL: \_\_\_\_\_

22 April 2020

**Unite against COVID-19**

### COVID-19 LEVEL 3 SITE OPERATING INSTRUCTIONS

## STOP

**STOP ONE**

Stop if you are unwell or have symptoms of COVID-19. Do not enter the site. Notify your supervisor immediately.

**STOP TWO**

Wash your hands before entering the site.

**STOP THREE**

Sign in. Acknowledge health declaration and health and safety.

**STOP FOUR**

Notify site. Discuss conditions. Complete health declaration. Complete sign out procedure. Complete sign out procedure. Complete sign out procedure. Complete sign out procedure.

**STOP FIVE**

Wash your hands before you exit.

**STOP SIX**

Sign out. Acknowledge health and safety.

**STOP SEVEN**

Notify site. Discuss conditions. Complete health declaration. Complete sign out procedure. Complete sign out procedure. Complete sign out procedure.

22 April 2020

This site signage example is available in the COVID-19 Residential Construction Protocol at [www.chasnz.org/covid19](http://www.chasnz.org/covid19)

physical distancing, sneeze and cough etiquette, and wiping down surfaces is the best defence against COVID-19, according to the government's COVID-19 website.

### PPE availability

One of the most significant challenges for plumbing, gas and drainage businesses carrying out essential work during the lockdown was the shortage of emergency PPE.

With the government giving PPE priority to frontline health workers and food suppliers, many plumbing companies found themselves ill-equipped at the start of the lockdown and unwilling to carry out essential work that could risk their team's health and safety.

Master Plumbers jumped on the case for its members, working with its Business Partners to source the necessary PPE. By early April, Mico >>>

# Lockdown challenges

During the month-long COVID-19 Alert Level 4 lockdown, plumbing, gasfitting and drainlaying businesses were on the government's Essential Services list, meaning they could attend essential jobs that presented an immediate risk to health and safety.

Work could be carried out for customers if it was to ensure the home:

- Had access to hot water (eg, replacing HWCs and related pipework)
- Could continue to dispose of wastewater and sewage (eg, unblocking pipes or replacing broken pipes)
- Could continue to receive water (eg, replacing a pipe supplying water)
- Could still receive gas services (eg, repairing a broken gas pipe).

Work could also be carried out if it was for critical infrastructure or for other essential services, such as supermarkets, hospitals or food producers.

The lockdown brought its own challenges, with some companies turning down non-essential work only to find another plumber picking it up—or, even worse, homeowners turning to DIY and unauthorised people to do the work.

Master Plumbers wanted to see a national register where tradespeople could record all work done during the lockdown as way of stamping out non-essential work. "We estimate up to 30 per cent of work being completed is non-essential," CEO Greg Wallace told *1 News* in early April. He noted that members were having to deal with urgent calls, including gas and water leaks, as a result of DIY jobs gone wrong.

Anyone suspecting COVID-19 Level 4 essential services breaches was able to report them to the police via an online form.

During the lockdown, Master Plumbers lobbied the government for:

- urgent provision of emergency PPE for plumbers, gasfitters and drainlayers carrying out essential jobs
- a national register for logging all work carried out by tradespeople during the lockdown
- the enforced closure of all plumbing merchants other than for trade-only supply of products for essential work
- trade-only supply of essential work plumbing products by 'big box' hardware stores.



Joe from On To It Plumbing, Gas and Drainage in full emergency PPE, attending a blocked toilet during the lockdown.

## Site Transportation Protocol - Alert Level 3

### Workers travel to site

Employers are required to have an understanding of how workers will travel to and from site.



Workers are to travel to the site one person per vehicle where possible.

Log is to be kept to record who has arrived on site, how they traveled and who they traveled with for contact tracing purposes.

Workers must travel home in the same vehicle as they arrived in.

Handwashing protocols to be observed before entering site.

Any travel managed by the employer should ensure that adequate steps can be achieved for this transport – which includes:



Allowing for spaces between passengers.

Hygienic washing of hands before and after the journey.

Follow Vehicle Cleaning Procedures as per the [Cleaning guide](#).

Restricting equipment and baggage to trailers and or separate parts of the vehicle.

### Required process for deliveries to site



Deliveries to site should be delivered by one person only where possible.

Handwashing protocols to be observed once arrived at site.

Sign-in register must be completed for persons delivering goods to site.

2m physical distancing rules to be applied at all times.

had delivered more than 600 basic emergency PPE kits to member businesses, comprising disposable coveralls, high-risk latex gloves, over booties, clear lens safety goggles and respirator with valve. Premium kits were also available with a reusable full-face mask.

Following discussions with the Ministry of Health, Master Plumbers managed to secure national reserve face mask supplies in time for Alert Level 3, with packs of 50 being made available for sale at 'COVID support' pricing through Mico and Plumbing World branches, along with the likes of sanitiser, viral disinfectant, wipes, coveralls and safety glasses.

## Plumbing merchant access

Plumbing merchants have reopened their doors for trade customers, putting in place safe practices for staff and trade customers and, where possible, ensuring contactless pick-up or delivery. Limited numbers of trade customers are allowed on the premises at any time and registers are in place for tradespeople to sign in and out.

At Alert Levels 2 and 1, most retailers and suppliers can operate as usual as long as they have health and safety measures in place. Physical distancing measures still apply.

This safe travel infographic is available in the COVID-19 Vertical and Horizontal Construction Protocols at [www.chasnz.org/covid19](http://www.chasnz.org/covid19)

# 11 TOP MASTER PLUMBERS MEMBER RESOURCES



Master Plumbers, Gasfitters and Drainlayers NZ has been working hard to provide updates and resources for its members during the Alert Level 4 lockdown and beyond.

## RESOURCES AVAILABLE TO MEMBERS INCLUDE:

### 1 Member COVID-19 Facebook Group

**Forum:** Members, their staff, apprentices and business and industry partners can ask to join at [facebook.com/groups/MasterPlumbersNZ](https://facebook.com/groups/MasterPlumbersNZ)

### 2 Video Updates:

Regular video updates from CEO Greg Wallace on the Facebook Forum

### 3 Webinars:

Business, wellbeing, HR and economic webinars for members

### 4 Job Checklist and Contact Tracing:

Record of work completed and people encountered during the day. Available as forms on the Master Plumbers Health & Safety App (available to order online for \$120 per year in the member log-in at [www.masterplumbers.org.nz](http://www.masterplumbers.org.nz)) or as a Word doc

**5 PPE Supplies:** Master Plumbers has worked with the Ministry of Health to ensure national reserve supplies of face masks, distributed through Plumbing World and Mico branches. These should be worn when working at homes with elderly occupants or people with underlying health conditions

**6 PPE Diagram:** Showing what PPE should be worn at Alert Level 3 by tradespeople dealing with wastewater, sewage, plumbing vents, rooftop HVAC and exhaust fans

**7 Video Conferencing:** A how-to guide for members wanting to assess a customer's job via video conferencing rather than face-to-face

**8 Enewsletters & Website:** Regular member updates on this fast-evolving situation

**9 HR Resources:** Guidance on business restructuring and an employee variation

template for member use when making any changes to the terms and conditions of staff employment as a result of the COVID-19 situation

**10 Business Advisor:** Partnering with Skills to offer members a free 1-hour session with a trade-experienced Business Advisor

**11 Wellbeing Support:** The Master Plumbers Wellbeing on Tap programme ([www.wellbeingontap.org.nz](http://www.wellbeingontap.org.nz)) has resources to help you stay physically, mentally and emotionally healthy. Canterbury-based social worker Kereama Carmody also provides one-on-one support to members and their teams at a discounted rate (**021 222 1160**).

Find details of all resources in the member log-in at [www.masterplumbers.org.nz](http://www.masterplumbers.org.nz) (under COVID-19).

## Carrying out inspections

MBIE states that, at Alert Level 3, councils should continue to perform their functions, with employees working from home. "Where work cannot be carried out from home, council workers may work onsite, provided appropriate health and safety and physical distancing measures are in place."

Building and construction site inspections can take place, with appropriate safety measures in place, and avoiding close interaction where possible. Councils are being encouraged to make use of technology for remote inspections if possible.

"At their discretion, councils may consider accepting other forms of evidence to be satisfied on reasonable grounds that the work has been carried out in accordance with the building consent," says MBIE. "For example, a homeowner or builder may provide photographs of completed work." Any forms of evidence to be supplied must be by prior agreement with council staff, however.

At Alert Levels 2 and 1, most councils can continue as usual as long as they have health and safety measures in place. Physical distancing measures still apply.



**"There are some critical factors you need to abide by under Alert Level 3—social distancing, contact tracing and good hygiene."**

**GREG WALLACE**  
CEO, Master Plumbers

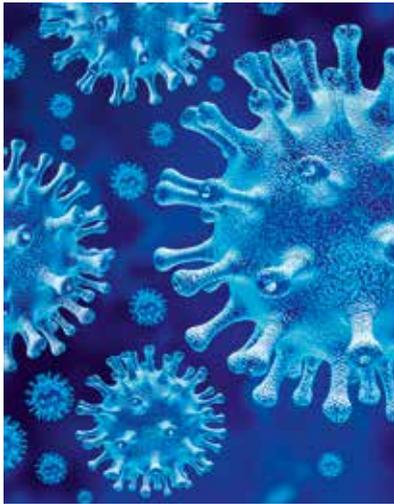
## Looking to the future

Businesses of all kinds have had to deal with the huge financial impacts of the COVID-19 pandemic, with employers applying for the government wage subsidy to keep their teams going during the lockdown and many reaching agreements with their employees to adjust employment contracts.

For the construction industry, the particular challenge will be ensuring companies can stay fully staffed to hit the ground running when business returns to normal. Master Plumbers CEO Greg Wallace is a representative on the New Zealand Construction Industry Council (NZCIC), which worked hard behind the scenes during the lockdown to help prepare the construction industry for the partial return to work.

"The NZCIC, the Construction Sector Accord and others are working with the government to provide the necessary support to affect a speedy recovery," said Chairman Graham Burke in early April. "This includes financial and regulatory support for the sector as well as painting a picture of what the new 'business as usual' will look like." 📌

Turn the page for an COVID-19 employment FAQ.



## AVAILABLE RESOURCES

A quick guide to information, advice and support available during the COVID-19 pandemic.

### 1. GENERAL

- [www.covid.govt.nz](http://www.covid.govt.nz) – go-to website for up-to-date, accurate information and advice on COVID-19 in New Zealand

### 2. BUSINESS

- [www.business.govt.nz/covid-19](http://www.business.govt.nz/covid-19) – updates on employment issues
- <https://worksafe.govt.nz/managing-health-and-safety/novel-coronavirus-covid-19/your-covid-19-safety-plan> – All operating businesses must have a COVID-19 Controls Plan, which may be audited by WorkSafe. You may wish to use this WorkSafe template.

### 3. CONSTRUCTION SECTOR

- [www.building.govt.nz/covid-19](http://www.building.govt.nz/covid-19) – guidance for the building and construction sector
- [www.nzctic.co.nz/resources/stay-up-to-date-with-covid-19](http://www.nzctic.co.nz/resources/stay-up-to-date-with-covid-19) – regular updates on COVID-19 for the construction industry
- [www.constructionaccord.nz/news/news-stories](http://www.constructionaccord.nz/news/news-stories) – Construction Sector Accord updates, including a response plan for the sector during and after the pandemic
- [www.chasnz.org/covid19](http://www.chasnz.org/covid19) – COVID-19 construction protocols for vertical, horizontal and residential construction

### 4. PLUMBERS, GASFITTERS & DRAINLAYERS

- [www.pgdb.co.nz/trade/covid-19-essential-information](http://www.pgdb.co.nz/trade/covid-19-essential-information) – information and advice from the regulatory board

# COVID-19

## Frequently asked questions

Legal expert Olivia Lund of Duncan Cotterill responds to frequently asked questions on the government wage subsidy, essential worker leave support payment and employment obligations during the COVID-19 pandemic.

### *Can an employer change an employee's hours of work or pay without their consent?*

Any changes to an employee's terms and conditions of employment should be with the employee's consent. Otherwise there is a risk of a personal grievance claim or unpaid wages claim. Variations should be agreed to in writing where possible.

Employees who are working under the various alert levels should be paid for all hours worked in accordance with the terms and conditions of their employment agreement unless agreed otherwise.

### *What can I do if there is not enough work for staff?*

If there is not enough work due to the restrictions in operating in the various alert levels, employers may propose to employees that they reduce their pay, reduce the days/number of hours of work, take annual leave or consider resizing and shaping their workforce. Any changes should be agreed to by staff.

### *What does best endeavours mean when undertaking to pay staff 80% of their ordinary pay for the wage subsidy?*

Employers must agree to use their best endeavours to pay employees a minimum of 80% of their ordinary pay for the period of the subsidy, currently 12 weeks.

'Best endeavours' is not defined and there is no clear guidance from the Government as to what is required. Employers should review their financial position and take advice as to the likely impact COVID-19 may have on their business, what cost savings need to be made, and whether it is financially viable to continue to pay staff 80% of their normal pay.

If a business is not trading, is not receiving income, and it is not possible to pay employees 80% of their normal pay, then employers should be passing on the entire amount of the wage subsidy to their employees, unless the employee earns less than the subsidy amount.

### *What is ordinary pay?*

Ordinary pay is the wages or salary as specified in the employee's employment agreement. It does not include overtime or other allowances.

For example, if the agreement includes an hourly rate of \$30 per hour and 40 hours per week then the ordinary weekly pay is \$1,200 per week gross. 80% of \$1,200 is \$960 gross per week. This would require a payment of \$374.20 from the employer together with the wage subsidy of \$585.80.

If an employee's ordinary pay cannot be determined from the employment agreement because a range of hours are included, then an average of the employee's earnings over the last 52 weeks should be used.

### *How does an employer show 30% downturn in revenue or forecasted revenue for the wage subsidy?*

To apply for the subsidy an employer or business must show a minimum 30% decline in actual or predicted revenue over the period of a month, when compared with the same month last year. The decline must be related to COVID-19 and must occur between January 2020 and June 2020.

If the employer has been in operation for less than one year, they are able to use a previous month to demonstrate the loss (ie, compare February 2020 to March 2020).

Revenue is the total amount of money a business has earned or expects to earn from its normal business activities before expenses are deducted. It is important to note that this is income received (or expected to be received) and should not be confused with invoices rendered or sales.

### *Do casual workers get the wage subsidy?*

Yes, this is for any casual employees that are employed at the time the wage subsidy is applied for, and who would have been expected to work during the period the wage subsidy is received.

To assess the subsidy rate, the employer should average the casual's weekly

hours over the previous 52 weeks. If they have worked for less than a year, take the average of the hours worked during their total period of employment. If this average amounts to 20 hours or more, an application can be made for the full-time rate. If it is less than 20 hours, then the application should be for the part time rate.

If the subsidy is higher than what is usually paid to the employee, the difference should be used for the wages of other affected staff.

### ***Do employers need to tell staff they are applying for the wage subsidy?***

Yes, employers must notify staff they are applying for the subsidy and obtain their consent. To apply for the wage subsidy, personal information about employees including their name, date of birth, IRD number and work hours, need to be provided to the Ministry of Social Development (MSD).

### ***Can employees use their annual leave or sick leave to top up the wage subsidy?***

Yes, employees who are receiving the wage subsidy, or 80% of their normal pay, can elect to use annual leave to 'top up' their pay. This arrangement should be recorded in writing between the parties. Employers may also agree to cash up to five days of annual leave per year at the employee's request.

### ***Can employees be directed to take annual leave during the lockdown?***

Yes, employers can direct employees to take annual leave. This should only be after they have attempted to reach an agreement with the employee as to when leave is to be taken and after giving 14 days' notice.

Genuine attempts to reach agreement require consulting with employees and considering their feedback and individual circumstances before a decision is made. The wage subsidy can be used towards the costs of paying the annual leave.

### ***Can employees be made redundant by employers who receive the wage subsidy?***

The Government made a significant change to the wage subsidy on 27 March 2020, which requires all employers to retain staff for the 12 weeks they receive the wage subsidy.

If employees are made redundant during the period the employer receives the wage subsidy, employers may need to pay back the subsidy to MSD or the remaining portion that has not been paid to the employee. Employers should seek guidance from MSD.

Employers who applied for the wage subsidy prior to 3pm 27 March 2020 are

not required to retain staff. They are bound by the declaration they signed at the time which required 'best efforts' to retain staff.

There is nothing to prevent an employer commencing a restructure process during the period it receives the wage subsidy, so long as redundancies do not take effect until after the 12-week period of the wage subsidy. Notice can be given during the 12 week period.

### ***Is the wage subsidy taxed?***

Yes. The payment to employees is treated as income and is taxable in the regular way with the usual PAYE, KiwiSaver and child support deductions made.

The wage subsidy and leave payment is treated as non-taxable income and is non-deductible to the employer.

### ***Do employees accrue annual leave during the lockdown, what about the statutory holidays?***

Over the lockdown period there is no change to the payment of wages on statutory holidays and employees continue to accrue annual leave.

If employees worked on Good Friday or Easter Monday, then the usual public holiday rules apply. Easter Sunday is not a public holiday, so employees would not be entitled to pay-and-a-half and a day in lieu.

### ***What can employers do if workers refuse to work without a valid reason?***

The employer should consult with the employee about why the employee does not wish to work, i.e. do they have a genuine health and safety concern or do they have an underlying health condition that makes them or a member of their household more vulnerable.

In ordinary circumstances refusal to carry out work without a valid reason is a disciplinary matter. If the employee does not have a genuine reason for refusing to work, then they do not need to be paid. The employer can seek the employee's agreement to take annual leave and/or unpaid leave for the period of the lockdown.

If the employer has applied for the wage subsidy they can set the wage subsidy aside until a satisfactory resolution is reached with the employee. In the circumstances, the employer would be justified in withholding the wage subsidy and not paying it to the employee if the employee refused to work without a valid reason. The wages subsidy would need to be paid back in that situation. Alternatively, the employer could agree with the employee that they are not required to report to work

and will receive the wage subsidy for the period of the lockdown. Any agreement should be recorded in writing.

### ***What is the Essential Worker Leave Support payment?***

This is a new payment available from 6 April 2020 for essential workers who are not able to work. It is for a period of four weeks paid at the same rate as the wage subsidy and can be applied for multiple times.

It covers essential workers who are at a higher risk if they get COVID-19 (over 70-year olds, pregnant women, and those with underlying medical conditions), someone who must self-isolate as required by the MOH, is sick with COVID-19 or has a household member who is a higher risk if they get COVID-19.

The employer must consult with employees about how they can best support the employees by using sick leave or discretionary paid leave and must be able to show a 30% decline in actual or predicted revenue or show they are not able to financially support the employee and will be negatively impacted by paying sick leave and the costs of replacement staff. Employers must still use their best endeavours to pay at least 80% of the employee's ordinary pay.

Employers cannot get the wage subsidy and leave support payment at the same time. We expect the subsidy will be available for all workers, not just essential workers, when we move to the lower alert levels.

**This is an evolving situation which is changing daily as further information and guidance is provided.** 📢



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