

Help for your business during the COVID-19 Omicron outbreak

This fact sheet explains the help your business can get from the Government during the COVID-19 Omicron outbreak.

Money to keep your business running

The Government has announced 3 fortnightly COVID 19 Support Payments, with the first payment opening for applications at 8am on 28 February 2022. The amount of each payment is \$4,000, plus \$400 for each employee (up to 50 employees). You will need to apply for each payment.

To get the first payment you will need to show income is 40% lower in a 7-day period any time from February 16, compared to a typical week between 5 January 2022 and 15 February 2022.

For the second and third payments, the dates where your income needs to be lower are still to be decided.

More information will be available on the Inland Revenue website at ird.govt.nz/csp

Removing penalties and interest on late tax payments

If you paid your tax late because you were affected by COVID-19, Inland Revenue can remove (remit) the penalties and interest that were charged. This is often done automatically. Send Inland Revenue a message in your myIR account at ird.govt.nz if need to question this.

More time to pay your tax

If you are not able to pay your tax on time because of COVID-19, you can pay it off over time. This is called an instalment arrangement, and you can set it up in your myIR account at ird.govt.nz or by calling Inland Revenue on 0800 227 774.

If you tick the box saying you have been significantly affected by COVID, we will remove any penalties and interest from your recent tax bills. The tax must be paid by 7 April 2024 to reduce interest and penalties.

If you need more help than this, get in touch with Inland Revenue. They may be able to agree a longer payment plan, or in some cases write off some of the tax.

Low or no-interest loan

If your income was 30% lower recently than it was the year before, you might be able to get a loan from the Government's Small Business Cashflow Scheme (SBCS).

This could be for up to \$10,000, plus \$1,800 for each full-time employee up to a maximum of \$100,000. This amount will soon increase by \$10,000.

Soon you will be able to choose to borrow the whole amount at once, or in up to 4 separate withdrawals taken out before the end of 2023.

You have 5 years to pay it off. The first 2 years will be interest-free, after that the interest rate is 3%.

You can find more details at ird.govt.nz/sbcs and apply for an SBCS loan in your myIR account at ird.govt.nz

Changes to existing loans

If you already have a loan some changes are coming by the end of March.

If you have kept to the terms of the existing loan, you will be able to apply for a top-up loan of an additional \$10,000. Plus, if you did not borrow the full amount you were able to in your existing loan, you will be able to add this amount to your top-up loan. The top-up loan will have a new 5-year repayment period, with the first 2 years being interest-free. You can borrow the whole amount at once, or in 4 separate withdrawals taken out before the end of 2023.

All SBCS Loans, new and existing, will be interest-free for 2 years, as long as you keep to the terms of the loan.

More information will be available on the Inland Revenue website soon at ird.govt.nz/sbcs

Money to pay employees who have to stay home and cannot work

If your employees have to stay home and cannot work because they are waiting on test results for COVID or have to self-isolate, you can get a payment to help you keep paying them. These are called the Short-Term Absence Payment and the Leave Support Scheme.

Find out more at workandincome.govt.nz

