

Ongoing operation and impact of the Leave Support Scheme

This oral update meets Cabinet direction for the Minister of Finance, the Minister for Social Development and the Minister for Workplace Relations and Safety to report-back on the ongoing operations and impact of the Leave Support Scheme by the end of June 2020 [CBC-20-MIN-0046 refers].

The Leave Support Scheme supports the Government's strategy to eliminate COVID-19

The Leave Support Scheme provides eligible employers with a four week lump sum payment (at a rate of \$585.80 per week for full-time workers and \$350.00 for part-time workers) to support employees who need to self-isolate.

The Government has provided a total of \$123 million to support individuals to self-isolate across three versions of the leave schemes (as at 22 June 2020)

- Uptake of the current scheme is low compared to the first iteration of the leave scheme
- This may be for a range of reasons such as the reduced number of workers returning from overseas since the borders closed, low community transmission of the virus and the interaction of the Wage Subsidy Scheme.
- MSD, IRD and MBIE are working together to ensure integrity of the Leave Support and Wage Subsidy Schemes. Actions include helping businesses and workers understand the schemes, investigating complaints and undertaking some pre-payment checks.

Ministers will report back to Cabinet at the end of July 2020 on the future of the Leave Support Scheme

The Leave Support Scheme is tied to who the Ministry of Health recommends to self-isolate at any given time. As public health guidance changes, eligibility for the Leave Support Scheme also changes. This means eligibility automatically adjusts in line with changing guidance when moving between alert levels.

It is timely to take a broader look at the Leave Support Scheme to ensure that the settings are fit for purpose and to maintain the integrity of the Scheme.

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Establishing and Developing the Leave Scheme

Leave Payment Scheme 17-27 March

25,000
applications

18,835
approved

\$85m
expenditure

On the 27 March following the move to Alert Level 4, the Leave Payment Scheme was folded into the broader Wage Subsidy Scheme to remove the risk of businesses accessing both schemes for the same employees.

Essential Workers Support Scheme 06 April-01 May

4,504
applications

2,801
approved

\$25m
expenditure

On 1 April 2020, the COVID-19 Essential Workers Leave Support Scheme was established to support essential workers to take leave from work when necessary, in line with public health guidance under Alert Level 4.

Leave Support Scheme 01 May-now

4,500
applications*

1,594
approved*

\$12.8m
expenditure*

With the move to Alert Level 3, the COVID-19 Essential Worker Leave Support Scheme was broadened to its current form, the COVID-19 Leave Support Scheme. This recognises that many workers would be returning to work in addition to those in essential services. The scheme has no end date.

* figure as at 22 June