

**Pre-payment Assessment**

**80+ Employers**

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# Introduction to Wage Subsidy Schemes

1. The New Zealand Government introduced the wage subsidy scheme to support businesses affected by the global impact of COVID-19 to retain employees. The Wage Subsidy Scheme is designed to:
  - support affected businesses to retain employees when Covid-19 restrictions impact revenue; and
  - help preserve employment connections between employers and employees, and provide income for employees even when they are unable to work.
2. The wage subsidy scheme has provided payments for full-time employees at \$600 per week, and \$359 for part-time employees.
3. To date the Government has introduced wage subsidy schemes named below:
  - the **Original** scheme: introduced on 17 March 2020 and ending on 27 March 2020;
  - the **Enhanced** scheme: introduced on 27 March 2020 and ending on 28 March 2020;
  - the **Modified** scheme: introduced on 28 March 2020 and ending on 9 June 2020;
  - the **Extension** scheme: introduced on 10 June 2020 and ending on 1 September 2020;
  - the **Resurgence** scheme: introduced on 21 August 2020 and ending on 3 September 2020; and
  - the **March 2021** scheme: introduced on 8 March 2021 and ending on 21 March 2021;
  - the **August 2021** scheme; was introduced on 17 August 2021 and is currently open
4. This document sets out guidance and processes for pre-payment integrity checks of applications for the August 2021 scheme from an employer who has more than 80+ employees.
5. Each scheme required applicants to make a **declaration** and complete an application form. Both the declaration and the application form comprise the application made by each recipient. The declaration requires the applicant to declare they have met the eligibility criteria for the scheme and that they will comply with the obligations specified in the scheme. The declaration forms the legal contract between MSD and the recipient of the wage subsidy.

6. The August 2021 declaration can be found [placeholder].

## MSD Business Process

7. MSD established business processes in relation to the processing actions and payment of the Wage Subsidy Scheme. Please click on this [link](#) for guidance on processing actions and this [link](#) for answering questions about the wage subsidy.
8. The [Emergency Employment Support \(EES\) portal](#) is the payment system for Wage Subsidy Payments.
9. The [S2P system](#) is a case management system that allocates work for processing.

## Pre-Payment Assessment

10. A High Trust model still exists, however certain information in applications advanced by applicants can be verified in advance of a wage subsidy payment being made. Verifying the accuracy of information provided by applicants is the purpose of the pre-payment assessment. 'Verification' is achieved by obtaining documentation from the applicant or elsewhere, as appropriate, confirming that information the applicant has provided is correct.
11. In all instances you should be requesting verification that the business has had, or is predicting it will have, a decline in revenue that is attributable to the move to Alert Level 4 on 17 August 2021 and the revenue decline is:
  - a. at least 40% over the period 17 August 2021 to 30 August 2021 (inclusive) (revenue test period), when compared to a typical 14-day consecutive period of revenue in the six weeks immediately prior to the move to Alert Level 4 on 17 August 2021 (default comparator period); or
  - b. for employers that have highly seasonal revenue, at least 40% over the revenue test period when compared to the same 14 consecutive days in 2020 or 2019 (seasonal comparator period), provided the employer can demonstrate that the seasonal nature of its business makes it harder to meet the 40% revenue decline using the default comparator period than if the business was not of a seasonal nature.
12. We also require that applicants keep records of their revenue decline and how their business has been impacted by the rise in Alert Level on 17 August 2021.

13. You should also seek verification that the employees named in the application are employed by the business. This can be done by checking with IR. If there is a discrepancy in the number of employees in an application, for example, due to recent hiring of new employees, this could be resolved by seeking verification from the employer.
14. Wage Subsidy records in EES have information about previous claims, this may point you to other sources of seeking verification (e.g. if a record refers to an applicant being bankrupt, they may still be able to trade if the Official Assignee has approved this; the applicant or Official Assignee will have a record of this).
15. Your assessment sheet must document how you draw your conclusion to seek (or not seek) verification, and how you have determined that the applicant meets (or does not meet) the relevant criteria. Guidance will be provided in training sessions on the types of scenarios in which you may decide not to seek verification.
16. When seeking further information from the applicant, you will need to determine with them what is reasonable for them to provide. In some situations, MSD acknowledges it may be difficult for an applicant to provide verification documentation. This may include, for example, where records needed to verify information in an application are physically held in an office that the applicant cannot access during lockdown.
17. Assessment of all information held by MSD for Wage Subsidy records only, may also determine quite quickly that the applicant fits all of the criteria.

## Process for pre-payment integrity checks

18. The process for the pre-payment integrity check is as follows:
  - a. **Step 1:** Initial information gathering phase. This will give you the necessary background information about the applicant;
  - b. **Step 2:** Inland Revenue
  - c. **Step 3:** Contact the applicant to gather information about their eligibility for the wage subsidy;
  - d. **Step 3:** Verify and assess the information gathered;
  - e. **Step 4:** Seeking Verification
  - f. **Step 5:** Retaining documentation of the 40% revenue decline;
  - g. **Step 6:** Verify and assess the information gathered
  - h. **Step 7:** Reach a decision on whether the applicant is eligible for the wage subsidy based on the information gathered

i. **Step 8:** Completion of the Pre-Payment Assessment Sheet

19. Each step is explained in more detail below.

## Step 1 – Initial information gathering

20. The purpose of the initial information gathering phase is to enable you to understand:

- a. basic background information as to the applicant's type of business;
- b. what has been paid under the wage subsidy scheme;
- c. what has been noted or identified by MSD during any previous reviews or investigations; and
- d. whether any refund requests have been made, or whether the applicant has voluntarily repaid some or all of the wage subsidy.

21. To do this, you will need to:

### Search for all other Applications

22. Search through the EES portal to locate any other applications that have been applied for by the applicant. As you find these, make a note in the comments field. This comment should read "INTEGRITY PREPAYMENT ASSESSMENT" "YOUR NAME". Complete this on every application before you start.

23. Be mindful to look for STAP and LSS payments that require exception processing in addition to the Wage Subsidy August 2021 payment.

24. If you find that an existing integrity check note has been entered into EES, (*prepayment only*) please contact the staff member who added that note before you start.

### Previous Assessments

25. Previous audit – you may request a copy of the previous assessment sheet by contacting the relevant assessor or by emailing Outside scope@msd

### Search publicly available sources of information.

26. You may find there is not enough information contained in the prior integrity check sheet. A review of publicly available information can help. There are number of publicly available open source searches that you can do which are detailed within your Integrity Check template form. For example: Google, social media, the Companies Office register. Please record what publicly available checks you have completed in your Integrity Check template.
27. MSD may hold information about the applicant or its employees in its IMS or CMS systems, such as whether the relevant individual was receiving a benefit during the wage subsidy period. However, for important privacy reasons you are unable to access those systems. You may be able to obtain verification information from other sources.

## **Step 2 – Inland Revenue**

28. Obtain information from Inland Revenue by ringing the IR representative support person. The information sought must pertain solely to an application for a wage subsidy. We cannot request information that does not relate to a wage subsidy.
29. Guidance on the type of information you can request from IR is contained in the Appendix – Inland Revenue: What You Can Get, and may include verification of employee numbers, or revenue.

## **Step 3 – Engage with the Applicant and seek verification**

### **Initial contact**

30. Once you are satisfied that you have sufficient background information, you can then contact the applicant to gather further information.

31. The purpose of contacting the applicant is to check and obtain documentation verifying their eligibility for the wage subsidy, and their compliance with the obligations under the scheme. This will include:

- a. verification that they are a real business (if applicable, you may already have this information from what you have gathered during Step 1);
- b. information evidencing the 40% decline criteria is met in revenue. This may include financial or bank statements;
- c. what they have done to mitigate their losses;
- d. a reconciliation of their employee numbers to confirm they employed and continue to employ all of the employees named in the application;
- e. remind them of their obligations, including their obligations to retain documentation proving the 40% revenue decline criteria is met.

32. In the first instance, you should contact and speak with the person that submitted the wage subsidy application. It is important when contacting the applicant that you identify who you are talking to, and you confirm that they have the authority and knowledge to answer all questions. You may be referred to other relevant staff within the business to discuss the required verification such as the Finance Manager, Human Resources Manager, or payroll staff.

33. This part of the assessment allows you to check everything with the applicant, including:

- Their eligibility
- That they are a real business
- That the business was / is operating
- A reconciliation of their employee numbers (if they are an employer)
- That they must pass the subsidy on to the employee
- That they must meet their obligations under the wage subsidy scheme

More detailed questions will include but not be limited to:

- Tell me about your business
- Describe your business
- How does the business operate
- Have you experienced or are you predicting a 40% decline in revenue over the period 17 August to 30 August 2021?
- Is the decline in revenue attributed to the move to Alert Level 4 on 17 August 2021 and if so, how?
- What actions have you taken to mitigate any decline in revenue?



34. If talking to a business with employees, discuss the following and check if the information they are providing matches what they advised in their application:

- What number of employees was claimed for?
- What is the nature of the employment for the employees (e.g. full time, part time, casual, contract)?
- Confirm if they make / have made staff redundant, that they will have to pay the wage subsidy back
- Are all of your employees legally employed in New Zealand?
- How are you paying your employees?

35. You should go over all other obligations/information such as:

- Are you aware that we will share information you have provided with other agencies about your business
- Do you acknowledge that the information you have provided is true and correct
- Acknowledge that you will have to repay any subsidy that you were not, or stop being entitled to.

## **Step 4 – Seeking Verification where there is a discrepancy in employee numbers**

36. The Wage Subsidy processing actions in HIYA have specific instructions on what to do when the number of employees listed in the application doesn't match IR information (i.e. approve payment where the discrepancy is only one or two employees). For the purposes of integrity exception pre-payment assessment, reconcile any employee discrepancy by seeking documentary verification from the applicant about past and present employee numbers, such as PAYE returns.

37. When you receive verification documents from applicants, it is important that you embed all of the documentation into the pre-payment assessment form.

## **Step 5 – Retaining documentation of 40% revenue decline**

38. The applicant is required to retain records of their revenue decline assessment/calculations and how their business has been impacted by the rise in Alert Levels on 17 August 2021. If, the applicant has information to show it has met the revenue decline criteria available (such as the reasons it calculates/predicts a 40% decline), ask the applicant to provide this as verification.
39. MSD acknowledges, however, that the nature of the scheme may mean that some applicants cannot provide verification about the 40% decline criteria at this time. In those cases, you should remind the applicant that they are required to retain documents evidencing the 40% decline criteria, and they may be contacted at a later time for those records.

## **Step 6 - Assess the information gathered**

40. This part of the integrity check allows you to make sure you have all the information you need to decide on the outcome of this application.
41. Consider the following:
- a. Have you completed the relevant desk-based review checks?
  - b. Do you have a thorough understanding of the applicant's business?
  - c. Do you understand how the business has met the revenue decline test and do you have direct source information to evidence this?
  - d. Did the applicant meet the eligibility criteria to receive the Wage Subsidy?
  - e. Is the applicant aware of and meeting their obligations, and is there documented evidence to show the applicant is meeting those obligations?

## **Step 7 – Reach a decision on whether the applicant is eligible for the wage subsidy based on the information gathered**

42. You will now be in a position to make a decision on the outcome of the integrity check of the application.

43. For a pre-payment assessment, a number of decisions could be made:

- Approve – approve the payment in full
- Partially approved – approve part of the payment requested
- Decline – decline the full payment
- Undecided – Summarise your pre-payment assessment form and discuss this with your manager. Your manager may need to seek clarification if they are also undecided

44. It is vitally important to record full notes in your pre-payment assessment form including:

- a. Conversations held with the applicant, and on what date and time
- b. Whether verification documents were obtained and the reasoning for why/why not. As a reminder, some verification documents may not be able to be obtained depending on where those records are held.
- c. Instructions to applicants about retaining their assessment/calculation of the 40% revenue decline
- d. Your reasoning and justification for decisions made

## **Step 8 – Completion of the Pre-Payment Assessment Sheet**

45. A typed pre-payment assessment sheet needs to be completed for each assessment that you complete. You should complete one sheet per company (i.e. this may include the holding company and all their subsidiary numbers). This pre-payment assessment sheet should include all application ID numbers for the subsidiary businesses.

46. If in the example above, the pre-payment assessment reveals that some applications are met, and some are not, a separate sheet should be completed for each 'not met' application.

47. Save the pre-payment assessment forms in a folder within your own shared drive marked 'Wage Subsidy Aug21'. For an employer save your assessment form using the date/applicant- *Employer/IRD* number and 80plus (e.g. 17042020 McDonalds 1234567880plus).
48. If you have removed employees, you must ensure you have recorded the exact details and the reason for removal in your pre-payment assessment form. Guidance on when it may be appropriate to remove employees from an application can be found in HIYA, and you may reach that decision during Step 4 above. If you conclude it is appropriate to remove employees due to discrepancies in the available records, email the employer with the names of applicants that are being removed, together with the reason for removal. Seek confirmation from the employer that they agree the applicants can be removed and if they disagree, request further verification to enable you to resolve any discrepancies.
49. Collate your completed pre-payment assessment form and email them to Outside scope @msd by 9:00am each morning.
50. After each assessment has been finalised, the results of the pre-payment assessment must be submitted via the portal. Please click on this link to access the portal.

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## Pre-Payment Assessment Programme

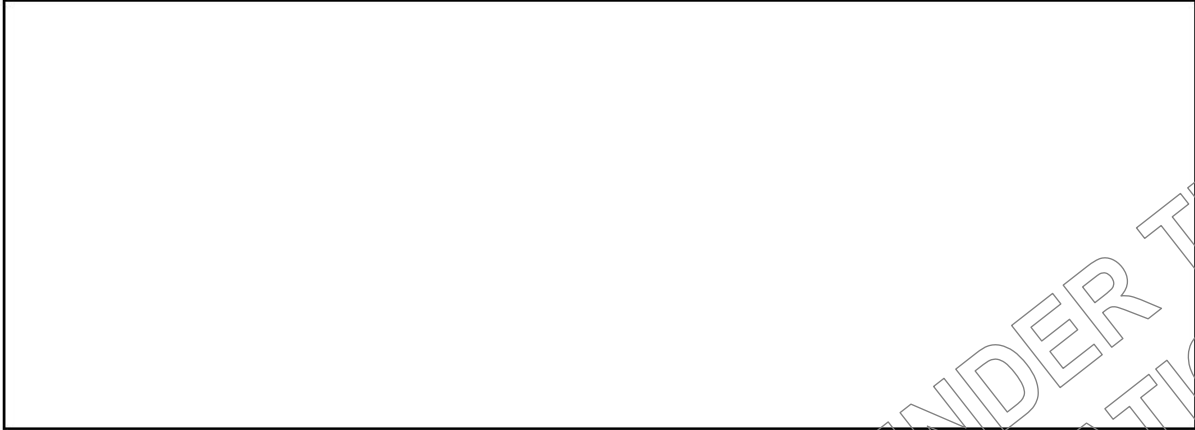
### COVID-19 WSSAug21

#### 80 + Employees

<b>TYPE OF ASSESSMENT</b>	Pre-payment Assessment
<b>PROGRAMME NAME</b>	
<b>CLAIM NUMBER:</b>	
<b>IR NUMBER</b>	
<b>BUSINESS/NAME</b>	
<b>NZ BUSINESS NUMBER</b>	
<b>CLAIM AMOUNT</b>	
<b>DATE</b>	
<b>ASSESSOR</b>	

<b>DESK BASED REVIEW</b>	
<b>CSV FILE APPLICATION MADE (80+ Employees only)</b>	YES <input type="checkbox"/> NO <input type="checkbox"/>
<b>RE-APPLICATION</b>	YES <input type="checkbox"/> NO <input type="checkbox"/>

<b>PREVIOUS SUBSIDIES RECEIVED</b>	WAGE SUBSIDY <input type="checkbox"/> EXTENSION <input type="checkbox"/> RESURGENCE <input type="checkbox"/> LEAVE SUPPORT <input type="checkbox"/> MARC 2021 <input type="checkbox"/> Total number of previous applications: 0 APPROVED      0 DECLINED
<b>REFUNDS OF PREVIOUS SUBSIDIES</b>	REQUESTED <input type="checkbox"/> RECEIVED <input checked="" type="checkbox"/> Reason for refund:
<b>BANK ACCOUNT MATCH</b> (same account as previous application)	YES <input type="checkbox"/> NO <input type="checkbox"/> If no, verification of alternative bank account provided received? YES <input type="checkbox"/>
<b>INVESTIGATION IDENTIFIED</b>	Details/outcome: <ul style="list-style-type: none"> <li>• Conduct relevant checks as outlined in Desk File and attached guidelines for the type of assessment you are completing</li> <li>• Note in full the outcomes of this and any other relevant information below</li> </ul>



**IRD VALIDATION CHECK**

**IRD VALIDATION CHECK**

Contact IR to validate:

- Registered business
- Business type
- IRD number
- GST registered
- Trading pre lockdown
- Number of employees

**EMPLOYEE NUMBERS MATCH**

YES

NO

## CONTACT WITH EMPLOYER/APPLICANT

### QUALIFICATION AND OBLIGATIONS

#### LEGALLY EMPLOYED IN NZ

Operating in NZ?

NB: You are required to retain documentation in the event this application is reviewed at a later date.

#### 40% DECLINE

What evidence could you show us that your business has had, or you are predicting will have, at least a 40% decline in revenue over the period 17 August to 30 August 2021 when compared to a typical 14-day consecutive period of revenue in the six weeks immediately prior to the move to Alert Level 4 on 17 August 2021.

Identify name and position of applicant contacted.

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How is that revenue decline attributable to the move to Alert Level 4 on 17 August 2021.

For businesses seeking to use the seasonal comparator period: On what basis is the business is of a seasonal nature;

How does the seasonal nature of the business make it harder for the business to meet the 40% revenue decline; and

What evidence does the business have that can show it has had or is predicting it will have a decline in revenue of at least 40% over the period 17 August to 30 August 2021, when compared to the same 14 consecutive days in 2020 or 2019. Refer to calculator tool on MSD website.

Who calculated the revenue decline information? Tell us how you worked this out? Explain what the revenue calculation included.

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Accountant or Finance Manager/CFO details, unless applicant.

Request copy of revenue decline information by email.

**MITIGATIONS**

Tell us about active steps you've taken to mitigate the impact of the move to Alert Level 4 on 17 August 2021. Give specific examples and outcomes.

(includes but not limited to engaging with your bank, drawing on your cash reserves as appropriate, making an insurance claim, IRD loans, other government assistance, moved to online, employees WFH).

**RECONCILIATION OF EMPLOYEE NUMBERS**

Discuss any variation. PAYE records with IRD show x number of employees. Explain why there are more/less than

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previous week. Explain large variation on previous applications (higher/lower). What evidence can you show us to clarify this? Email.

You must pass this payment onto your employees. How will you pay them the subsidy and at what rate? (80%, 100%, lump sum)

NB. You must use your best endeavours to pay at least 80 per cent of each named employee's ordinary wages or salary.

Do you understand your obligations under any employment agreement, (including rates of pay, hours of work and leave entitlement, without the written agreement of the relevant employee).

NB. You will repay any amount of the subsidy that is not required or cannot be used to support paying and retaining other affected staff.

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<p>Are there any staff members who are ceasing employment during the subsidy period? Anyone who has already submitted a resignation?</p> <p>Have any of the employees been given notice of redundancy at date of or prior to application?</p>	
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<b>DECLARATION</b>	
<p>If requested, you will provide further information to MSD to review any subsidy granted and how it is paid to employees?</p>	<p>YES <input type="checkbox"/></p>
<p>Are you aware that we will share information you have provided about your business with other agencies in</p>	<p>YES <input type="checkbox"/></p>

order to review any subsidy paid to you?	
Do you understand that MSD will be publishing information about your business and the level and duration of any subsidy provided to you?	YES <input type="checkbox"/>
You must notify MSD within 5 working days if anything changes that may affect your eligibility or entitlement to the subsidy, including if any of the employees named in your application end employment with you?	YES <input type="checkbox"/>
Do you acknowledge that you will have to repay any subsidy that you were not, or stop being entitled to?	YES <input checked="" type="checkbox"/>
Do you acknowledge that the information you have provided is true and correct?	YES <input type="checkbox"/>
You are making this declaration of behalf of your business and you have the authority to do so?	YES <input type="checkbox"/>

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SUMMARY	
<b>40% DECLINE MET</b>	YES <input type="checkbox"/> NO <input type="checkbox"/> If yes, verification of calculation provided? YES <input type="checkbox"/>
<b>OBLIGATIONS MET AND UNDERSTOOD</b>	YES <input type="checkbox"/> NO <input type="checkbox"/>

VERIFICATION DOCUMENTS	
<p>How to embed file:</p> <p>Save verification document</p> <p>Put cursor in white box →</p> <p>Go to Insert</p> <p>Click and select Object</p> <p>Click 'Create From File'</p> <p>Tick 'Display as Icon' and browse for verification document required. Click OK.</p>	

<b>WAGE SUBSIDY OUTCOME</b>  (For reporting purposes)	<b>COMMENTS</b>
<b>WAGE SUBSIDY <u>G</u>RANTED</b>	YES <input type="checkbox"/> NO <input type="checkbox"/>

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Appendix One: Comparison of Wage Subsidy Schemes – 17, 27/28 March, 9 June 2020, 21 August 2020

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
<b>Cap</b>	\$150,000 cap	No cap	No cap	No cap	No cap
<b>You must meet the eligibility criteria</b>	By submitting this form, you ( <u>the employer or self-employed person</u> ) are declaring that you:	By submitting this form, you are declaring that:	Same as 27/3	Same as 27/3	Same as 27/3
	Meet the eligibility criteria for the subsidy:	Same as 17/3	Same as 17/3	Same as 17/3	Same as 17/3
	Your business is registered and operating in New Zealand; and	You operate a business ( <u>being a registered business, sole trader, self-employed person, registered charity,<sup>[1]</sup> incorporated society,<sup>[2]</sup> non-government organisation, or post settlement governance entity</u> ) in New Zealand that <u>employs and pays the employees named in your application</u>  [1] Incorporated under the Incorporated Societies Act 1908 and registered under the Charities Act 2005; or registered the Charities Act 2005.	Same as 27/3	Same as 27/3	Same as 27/3

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
		[2] Incorporated under the Incorporated Societies Act 1908.			
The employees named in your application are legally employed in New Zealand; and	the employees ( <u>including you if you are a sole trader or self-employed person</u> ) named in your application are legally employed <u>by your business and are employed</u> in New Zealand	Same as 27/3	the employees (including you if you are a sole trader or self-employed person) named in your application are legally employed by your business and are employed in New Zealand <u>and have not been give notice of redundancy, at the date of your application</u>	Same as 9/6	
Your business has experienced a minimum 30% decline in actual or predicted revenue: <ul style="list-style-type: none"> <li>over the period of any month <u>from January 2020 through to the end of this scheme</u> when compared to the same month last year, or a reasonably equivalent month for a</li> </ul>	Your business has experienced a minimum 30% decline in actual or predicted revenue <u>over the period of a month</u> when compared to the same month last year, or a reasonably equivalent month for a business operating less than a year or a high growth business that has experienced a significant increase in revenue, and that revenue loss is attributable to the COVID-19 outbreak;	Same as 27/3	your business has experienced a minimum 40% decline in <u>revenue</u> [3] over <u>any consecutive 30 day period in the 40 days immediately before the date of your application (but no earlier than 10 May 2020)</u> when compared to the same period last year, or a reasonably equivalent period for a business operating less than a year or a high growth business that has experienced a significant increase in revenue, and that revenue loss is attributable to the COVID-19 outbreak;	your business has <u>had, or is predicting, a decline in revenue of at least 40%</u> [3] for any consecutive period of at least 14 days <u>within the period of 12 August 2020 to 10 September 2020 (inclusive)</u> when compared to a similar period in 2019, or a reasonably equivalent period for a business operating less than a year or a high growth business that has experienced a significant increase in revenue, and that	

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
	<p>business operating less than a year, and</p> <ul style="list-style-type: none"> <li>that revenue loss is attributable to the COVID-19 outbreak;</li> </ul>			<p>[3] <u>Businesses can include a fall in projected capital income as revenue for the purpose of an application where:</u></p> <ul style="list-style-type: none"> <li>- <u>They have no revenue other than seed or venture capital, or Government funding; and</u></li> <li>- <u>They are recognised by Callaghan Innovation as a legitimate research and development start up business</u></li> </ul>	<p>revenue loss is attributable to the <u>effects of the COVID-19 outbreak;</u></p> <p>[3] <u>Businesses can include a fall in projected capital income as revenue for the purpose of an application where:</u></p> <ul style="list-style-type: none"> <li>- <u>They have no revenue other than seed or venture capital, or Government funding; and</u></li> <li>- <u>They are recognised by Callaghan Innovation as a legitimate research and development start up business</u></li> </ul>
	<p><u>Your business has taken active steps to mitigate the impact of COVID-19 on their business activities (such as engaged with your bank, Chamber of Commerce, industry</u></p>	<p><u>Before making your application for the subsidy, you have taken active steps to mitigate the impact of COVID-19 on your business activities (including but not limited to engaging with your bank, drawing on your cash</u></p>	<p>Same as 27/3</p>	<p>Same as 27/3</p>	<p>Same as 27/3</p>

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
	association or the Regional Business Partner programme)	<u>reserves as appropriate, making an insurance claim)</u>			
		You are not currently receiving the COVID-19 Wage Subsidy or COVID-19 Leave Subsidy in respect of any of the employees named in your application	Same as 27/3	you are not currently receiving the COVID-19 Wage Subsidy, COVID-19 Leave Subsidy, <u>COVID-19 Essential Workers Leave Support or COVID-19 Leave Support Scheme</u> in respect of any of the employees named in your application	you are not currently receiving the COVID-19 Wage Subsidy, <u>COVID- 19 Wage Subsidy Extension</u> , COVID-19 Leave Subsidy, COVID- 19 Essential Workers Leave Support or COVID-19 Leave Support Scheme in respect of any of the employees named in your application
<b>Your obligations to use the subsidy to retain and pay your employees</b>	You agree you will, using best endeavours, retain the employees named in your application in employment on at least 80 percent of their regular income for the period of the subsidy.	You acknowledge that the granting of your application and your receipt of the subsidy does not override your existing obligations under the Employment Relations Act 2000	Same as 27/3	You acknowledge that the granting of your application and your receipt of the subsidy does not override your existing obligations under <u>employment law, including (but not limited to) the Employment Relations Act 2000, Minimum Wage Act 1983, Holidays Act 2003 and Health and Safety at Work Act 2015</u>	Same as 9/6
		You will not make any changes to your obligations under any employment	Same as 27/3	Same as 27/3 ( <u>except footnote [3] is renumbered [4]</u> )	Same as 9/6

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
		<p>agreement, including to rates of pay, hours of work and leave entitlement, without the written agreement of the relevant employee;[3]</p> <p>[3] It is unlawful for you to unilaterally vary an employment agreement to reduce an employee's wages or salary in order to receive the subsidy. You must continue to comply with your obligations under the Employment Relations Act 2000.</p>			
		<p>You will retain the employees named in your application as your employees for the period you receive the subsidy in respect of those employees</p>	Same as 27/3	Same as 27/3	Same as 27/3
		<p>You will not unlawfully compel or require any of the employees named in your application[4] to use their leave entitlements for the period you receive the subsidy in respect of those employees;[5]</p> <p>[4] Including essential workers who are unable to work for COVID-19 related reasons</p>	Same as 27/3	Same as 27/3 (except footnote [4] is deleted. Footnote [5] remains as [5].)	Same as 9/6

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
		including their own illness or caring for dependents. [5] Other than as you are lawfully permitted to do, including as provided for in an employee's employment agreement.			
		<p>You will use the full amount of the subsidy to pay each of the employees named in your application in fulfilment of, or towards the fulfilment of, the wages or salary obligations contained in each of their employment agreements for the period you receive the subsidy.</p> <p>You will use your best endeavours to pay at least 80 per cent of each named employee's wages or salary for the period you receive the subsidy. The wages or salary obligations are:</p> <ul style="list-style-type: none"> <li>as specified in the employee's employment agreement as at 26 March 2020; or</li> </ul>	<p>You will only use the subsidy for the purposes of meeting your named employees ordinary wages and salary and your obligations in relation to this subsidy.</p> <p>You remain responsible for paying your employees ordinary wages and salary for the employees named in your application.</p> <p>You will for the period you receive the subsidy:</p> <ul style="list-style-type: none"> <li>use your best endeavours to pay at least 80 per cent of each named employee's ordinary wages or salary; and</li> <li>pay at least the full amount of the</li> </ul>	<p>You will only use the subsidy for the purposes of:</p> <ul style="list-style-type: none"> <li>- paying the ordinary wages and salary of the employees named in your application (<u>or you, if you are a sole trader or self-employed person</u>); and</li> <li>- <u>meeting your obligations in relation to this subsidy and you will repay any amount of the subsidy that is not required for these purposes that cannot be used to support paying and retaining other affected staff.</u></li> </ul> <p>You remain responsible for paying your employees ordinary wages and salary for the employees named in your application.</p>	Same as 9/6

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
		<ul style="list-style-type: none"> <li>if you ended your employment relationship with any employee named in your application as a result of your business being adversely affected by the COVID-19 outbreak and have re-employed that employee on or after 17 March 2020, as specified in the employee's employment agreement as at the date that employment relationship ended.</li> </ul> <p><u>You will, where the wages or salary of an employee named in your application is lawfully below the amount of the subsidy, pay the employee the full amount of the subsidy instead of the wages or salary that would otherwise be payable. You will not under any circumstances compel or require the employee to repay</u></p>	<p>subsidy to the employee; but</p> <ul style="list-style-type: none"> <li><u>where the ordinary wages or salary of an employee named in your application was lawfully below the amount of the subsidy before the impact of COVID-19, pay the employee that amount.</u></li> </ul> <p>The ordinary wages or salary of an employee are:</p> <ul style="list-style-type: none"> <li>as specified in the employee's employment agreement as at 26 March 2020; or</li> <li>if you ended your employment relationship with any employee named in your application as a result of your business being adversely affected by the COVID-19</li> </ul>	<p>You will for the period you receive the subsidy:</p> <ul style="list-style-type: none"> <li>use your best endeavours to pay at least 80 per cent of each named employee's ordinary wages or salary; and</li> <li>pay at least the full amount of the subsidy to the employee; but</li> <li>where the ordinary wages or salary of an employee named in your application <u>(or your ordinary wages or salary if you are a sole trader or self-employed person)</u> was lawfully below the amount of the subsidy before the impact of COVID-19, pay the employee <u>(or yourself if you are a sole trader or self-employer [sic] person)</u> that amount.</li> </ul>	

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
		<p><u>to you the difference between the full amount of the subsidy and their wages or salary.</u></p>	<p>outbreak and have re-employed that employee on or after 17 March 2020, as specified in the employee's employment agreement as at the date that employment relationship ended.</p>	<p><u>Ordinary wages or salary means:</u></p> <ul style="list-style-type: none"> <li>- <u>in relation to an employee named in your application:</u> <ul style="list-style-type: none"> <li>• <u>the ordinary wages or salary as specified in the employee's employment agreement as at the date you applied for this subsidy; or</u></li> <li>• <u>if you ended your employment relationship with any employee named in your application as a result of your business being adversely affected by the COVID-19 outbreak and have re-employed that employee before the date your applied for this subsidy, the ordinary wages or</u></li> </ul> </li> </ul>	

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Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
				<p><u>salary as specified in the employee's employment agreement as at the date that employment relationship ended;</u> <u>or</u></p> <p>- <u>in relation to you if you are a sole trader or self-employed person, the weekly amount that you regularly paid yourself as at the date you applied for this subsidy.</u></p>	
<b>Providing information about you, your business and your employees to the Ministry</b>	Will provide the Ministry of Social Development with information about you, your business or (with their consent) your employees to the extent required by the Ministry of Social Development, its staff or auditors to make decisions about your application and to audit and review any <u>payment</u> that is granted.	You will provide the Ministry of Social Development [6] with information about you, your business and (with their consent) <u>the employees named in your application</u> to the extent required by the Ministry of Social Development or its auditors to make decisions about your application, and to audit and review any <u>subsidy</u> that is granted <u>(to you or another applicant) and how any</u>	Same as 27/3	You will provide the Ministry of Social Development [6] with information about you, your business and (with their consent) <u>the employees named in your application</u> to the extent required by the Ministry of Social Development or its auditors to make decisions about your application, and to audit and review any <u>subsidy</u> that is granted <u>(to you or another applicant) and how</u>	Same as 10/6

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
		<p><u>subsidy granted is paid to employees.</u></p> <p>[8] “Ministry of Social Development” includes the Chief Executive of the Ministry of Social Development and her staff.</p>		<p><u>any subsidy granted is paid to employees.</u></p> <p>[6] “Ministry of Social Development” includes the Chief Executive of the Ministry of Social Development and her staff.</p>	
<b>Consent to the Ministry sharing information about your application with other agencies</b>	Consent to the Ministry of Social Development sharing information <u>provided in this application</u> about you or your business with other agencies to the extent necessary to make decisions about your application and to audit and review any payment that is granted.	You consent to the Ministry of Social Development sharing information about you or your business <u>provided with respect to your application (both at the time of application, and any information provided at a later time) with other agencies (including non-government agencies) to the extent necessary to make decisions about your application, and to audit and review any subsidy that is granted (to you or another applicant) and how any subsidy granted is paid to employees.</u>	Same as 27/3	Same as 27/3	Same as 27/3
<b>Consent to other agencies providing information about you to the Ministry</b>		You consent to other agencies (including non-government agencies) providing information about you or your business to the Ministry of	Same as 27/3	Same as 27/3	Same as 27/3

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
		Social Development or its auditors, to the extent necessary in order for the Ministry of Social Development to make decisions about your application, and to audit and review any subsidy that is granted (to you or another applicant) and how any subsidy granted is paid to employees.			
<b>Discuss your application with your employees and gain their consent to information sharing</b>	Have discussed this application with the employees named in your application and that they have consented (in writing, if practicable) to the information about them in the application:	You have discussed this application with the employees named in it.	Same as 27/3	Same as 27/3	Same as 27/3
				<u>You will inform the employees named in your application of the outcome of your application and the conditions that apply to your receipt of the subsidy.</u>	Same as 9/6
		The employees named in your application have consented (in	Same as 27/3	Same as 27/3	Same as 27/3

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
		writing, if practicable) to the following matters:			
	<ul style="list-style-type: none"> <li>• Being provided to the Ministry of Social Development; and</li> </ul>	<p>The employees consent to:</p> <ul style="list-style-type: none"> <li>• the information about them in your application being provided to the Ministry of Social Development; and</li> </ul>	Same as 27/3	Same as 27/3	Same as 27/3
		<ul style="list-style-type: none"> <li>• you providing the Ministry of Social Development with any further information about them required in order for the Ministry of Social Development to make decisions about your application, and to audit and review any subsidy that is granted (to you or to another applicant) and how any subsidy granted is paid to employees; and</li> <li>• you advising the Ministry of Social Development if they</li> </ul>	Same as 27/3	Same as 27/3	Same as 27/3

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
		end their employment relationship with your business at a time when you are receiving a subsidy with respect to them.			
		The employees consent to the information about them provided to the Ministry of Social Development with respect to this application (both at the time of application, and any information provided at a later time):	Same as 27/3	Same as 27/3	Same as 27/3
	<ul style="list-style-type: none"> <li>Being used by the Ministry of Social Development to make decisions about your application and to audit and review any subsidy that is granted; and</li> </ul>	<ul style="list-style-type: none"> <li>being used by the Ministry of Social Development to make decisions about your application, and to audit and review any subsidy that is granted (<u>to you or to another applicant</u>) and how <u>any subsidy granted is paid to employees; and</u></li> </ul>	Same as 27/3	Same as 27/3	Same as 27/3
	<ul style="list-style-type: none"> <li>Being shared by the Ministry of Social Development with</li> </ul>	<ul style="list-style-type: none"> <li>being shared by the Ministry of Social Development with other agencies (<u>including</u></li> </ul>	Same as 27/3	Same as 27/3	Same as 27/3

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
	<p>other agencies to the extent <u>required</u> by MSD, <u>its staff</u> and auditors to make decisions about your application and to audit and review any subsidy that is granted.</p>	<p><u>nongovernment agencies</u>) to the extent necessary in order for the Ministry of Social Development and its auditors to make decisions about your application, and to audit and review any subsidy that is granted (<u>to you or to another applicant</u>) <u>and how any subsidy granted is paid to employees; and</u></p>			
		<ul style="list-style-type: none"> <li>being used by the Ministry of Social Development to make decisions about other assistance and entitlements to the extent your application and any subsidy granted is relevant to them (for instance, where your application is relevant to an employee's application for other assistance).</li> </ul>	Same as 27/3	Same as 27/3	Same as 27/3
		The employees consent to other agencies (including non-government agencies)	Same as 27/3	Same as 27/3	Same as 27/3

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
		providing information about them to the Ministry of Social Development and its auditors, to the extent necessary in order for the Ministry of Social Development to make decisions about your application, and to audit and review any subsidy that is granted (to you or to another applicant) and how any subsidy granted is paid to employees.			
<b>Advise your employees they can request access to information you have provided in your application under the Privacy Act</b>		People have the right to request access to all information held about them under the Privacy Act, they can contact <a href="mailto:privacyofficer@msd.govt.nz">privacyofficer@msd.govt.nz</a> to make a request.	Same as 27/3	<u>You will advise the employees named in your application that they have the right to request access to all information held about them under the Privacy Act, and can visit <a href="https://www.msd.govt.nz/about-msd-and-our-work/newsroom/2020/covid-19/covid-19-wage-subsidy-employer-search.html">https://www.msd.govt.nz/about-msd-and-our-work/newsroom/2020/covid-19/covid-19-wage-subsidy-employer-search.html</a> to make a request.</u>	Same as 9/6
<b>Publication of information about you</b>	Consent to us publishing <u>basic</u> identifying information about your business	You consent to the Ministry of Social Development publishing information about your business and the level	Same as 27/3	Same as 27/3	Same as 27/3

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
	and the level and duration of any subsidy provided to you (excluding any personal information about your employees) on a publicly accessible register.	and duration of any subsidy provided to you (excluding any personal information about the employees named in your application) on a publicly accessible register.			
<b>Notify changes in eligibility</b>	Will notify the Ministry of Social Development if anything changes that may affect your eligibility.	You will notify the Ministry of Social Development <u>within 5 working days</u> if anything changes that may affect your eligibility <u>or entitlement to the subsidy, including if any of the employees named in your application end their employment relationship with you.</u>	Same as 27/3	Same as 27/3	Same as 27/3
<b>Repaying the subsidy</b>	Agree to repay any subsidy made to you if you: <ul style="list-style-type: none"> <li>were not or stop being entitled to the subsidy</li> <li>provide false or misleading information in your application;</li> </ul>	You agree to repay the subsidy or any part of the subsidy paid to you if you: <ul style="list-style-type: none"> <li><u>fail to meet any of the obligations about how you must use the subsidy;</u> or</li> <li>were not or stop being eligible for the subsidy or any part of the subsidy;</li> </ul>	Same as 27/3	Same as 27/3	You agree to repay the subsidy or any part of the subsidy paid to you if you: <ul style="list-style-type: none"> <li>fail to meet any of the obligations about how you must use the subsidy; or</li> <li>were not or stop being eligible for</li> </ul>



Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
	<ul style="list-style-type: none"> <li>receive business interruption insurance.</li> </ul>	<ul style="list-style-type: none"> <li>provide false or misleading information in your application; or</li> <li><u>receive insurance such as business interruption insurance for any costs covered by the subsidy.</u></li> </ul>			<p>the subsidy or any part of the subsidy <u>including where any predicted decline in revenue over the relevant period is not realised;</u></p> <ul style="list-style-type: none"> <li>provide false or misleading information in your application; or</li> <li>receive insurance such as business interruption insurance for any costs covered by the subsidy.</li> </ul>
<b>Provision of true and correct information</b>	Acknowledge and agree all of the information you have provided to us is true and correct	You acknowledge and agree that all of the information you have provided to the Ministry of Social Development is true and correct.	Same as 27/3	Same as 17/3	Same as 17/3
<b>Consequences of non-compliance with obligations in this declaration</b>	Acknowledge if you have provided false or misleading information, or receive any subsidy or payment that you	You acknowledge that you may be subject to <u>civil proceedings for the recovery of any amount you receive that you are not entitled to</u>	Same as 27/3	Same as 27/3	Same as 27/3

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
	were not entitled to receive, you may be subject to an investigation including for offences under the Crimes Act 1961.	<p><u>and/or</u> to prosecution for offences under the Crimes Act 1961 if you:</p> <ul style="list-style-type: none"> <li>• have provided false or misleading information; or</li> <li>• <u>fail to meet any of the obligations about how you must use the subsidy</u>; or</li> <li>• receive any subsidy or part of a subsidy that you were not entitled to receive.</li> </ul>			
<b>Authority to make this declaration</b>		You are making this declaration of behalf of your business and you have the authority to do so.	Same as 27/3	Same as 27/3	Same as 27/3
<b>The Ministry may amend this declaration</b>	Acknowledge that the Ministry of Social Development may amend this agreement at any time and at their discretion.	<u>You</u> acknowledge that the Ministry of Social Development may amend this agreement at any time and at their discretion.	Same as 27/3	Acknowledge that the Ministry of Social Development may amend this agreement at any time and at <u>its</u> discretion.	Same as 9/6
<b>Declaration forms part of your application</b>	Acknowledge that this declaration forms part of your application.	<u>You</u> acknowledge that this declaration forms part of your application.	Same as 27/3	Same as 17/3	Same as 17/3
<b>Further acknowledgements</b>	In submitting your application you also	Same as 17/3	Same as 17/3	Same as 17/3	Same as 17/3

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
	acknowledge and/or agree:				
	The Ministry of Social Development collects the information in this application and form to determine whether you are eligible to receive assistance.	The Ministry of Social Development collects the information in this application to determine whether you are eligible to receive assistance.	Same as 27/3	Same as 17/3	Same as 17/3
	The Ministry of Social Development will use the information provided in this application to assess your eligibility to receive the COVID-19 Wage Subsidy. We may also use the information to contact you or for research and reporting purposes, or to advise you on the matters relating to the assistance you applied for.	The Ministry of Social Development will use the information provided in this application <u>for the purposes addressed in this document</u> , including to assess your eligibility to receive the subsidy <u>and to audit and review any subsidies granted</u> . We may also use the information to contact you or for research and reporting purposes, or to advise you on the matters relating to the assistance you applied for.	Same as 27/3.	The Ministry of Social Development will use the information provided in this application <u>both at the time of application, and any information provided at a later time</u> , for the purposes addressed in this document, including to assess your eligibility to receive the subsidy and to audit and review any subsidies granted. We may also use the information to contact you or for research and reporting purposes, or to advise you on the matters relating to the assistance you applied for.	Same as 10/6

Feature	Original scheme 17/3/20	Enhanced scheme 27/3/20	Modification 28/3/20 to 9/06/20 (12 weeks for Original and Modification)	Extension 10/6/20 to 1/09/20 (8 weeks)	Resurgence 21/8/20 to 3/09/20 (2 weeks)
	The Ministry will not use the information provided in this application for any other purpose <u>or for assessing entitlement to any other assistance available from the Ministry</u> unless required or authorised by law.	The Ministry will not use the information provided in this application for any other purpose unless required or authorised by law.	Same as 27/3	Same as 27/3	Same as 27/3
	Under the Privacy Act 1993 you have the right to request access to all information held about yourself and to request corrections to that information.	Same as 17/3	Same as 17/3.	Same as 17/3	Same as 17/3

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## APPENDIX TWO: POST PAYMENT DOCUMENTARY EVIDENCE INTEGRITY CHECK – CONVERSATION GUIDELINES

*This post-payment assessment will be carried out for the risk categories identified at the end of this document. These are just guidelines and are not scripting, you will need to tailor your approach and discussion with the applicants on a case by case basis. These guidelines should be read in conjunction with information about eligibility on the MSD Website, the employer declaration, IR MOU & additions, and the Desk File.*

Step	Activity	Potential Outcomes
<p><b>Contact applicant to discuss application</b></p>	<p><b>Note: do not contact the applicant if you consider or suspect fraud is involved. In every case where that occurs you must contact legal first to discuss whether it is appropriate to caution the applicant. In some cases, the case may need to be referred to investigations.</b></p> <p>If at any stage during your conversation with the applicant you suspect they may have committed fraud, you must stop the conversation and issue a caution. The caution must be in the following terms:</p> <ol style="list-style-type: none"> <li>a. the person has the right to refrain from answering any further questions and is entitled to remain silent;</li> <li>b. the person has the right to consult and instruct a lawyer before deciding whether they wish to continue with the conversation;</li> <li>c. that anything the person chooses to say will be recorded and may be given in evidence.</li> </ol> <p>You must also ask the person whether they understand those rights, and whether they wish to continue the conversation or whether they would prefer to reschedule the conversation at a time when their lawyer can be present. You must also ensure you take full and contemporaneous notes of the conversation, including details of the caution given and the person's response. You must then take legal advice on the next steps.</p> <p><b>1. Introduction</b></p> <p>Explain the purpose of the Post Payment Integrity Check - Following the implementation of the wage subsidy scheme, Fraud Intervention Services has</p>	

undertaken an integrity programme to ensure the scheme was administered lawfully. The business was a part of this.

Subsequently the Office of the Auditor-General carried out a performance audit and recommended that the Ministry of Social Development test a sample of these reviews against documentary evidence. The business has been randomly selected.

Engage with the applicant to understand their business, the impacts of the Alert Level restrictions during COVID-19 on their business, and how they have made an assessment that they fit the eligibility criteria. Question their recollection of the original integrity check and can introduce how their application was identified for this process (the risk profile).

Reiterate obligations, including the need to provide verification that of the actual revenue drop attributed to the Alert Level restrictions.

## 2. Qualification

**2.1 Verification that they are a real business** (if applicable, you may already have this information from what you have gathered during Step 1);

- qualifications
- how long has business been operating
- how the business works
- structure

More detailed questions may include but not limited to:

- Tell me about your business?
- Describe your business?
- How do you operate?
- How do you advertise for business?
- How do your clients contact you?
- Who is your client base?
- How do you go about building your business?

Remind the applicant, as per declaration, that they were required to retain the documentation and we are now asking for it.

Here you will need to satisfy yourself that the applicant meets the criteria.

You ask for documentation that you know they are able to produce now. Some examples could include:

- Copies of IR returns
- Bank Statements
- Proof that their employees are lawfully working in New Zealand
- Evidence of business operating in NZ
- PAYE returns

	<p><b>2.2 Information evidencing a 30% and/or a 40% decline in revenue (if they applied under the Wage Subsidy Extension Scheme) related to COVID-19. This may include financial or bank statements;</b></p> <ul style="list-style-type: none"> <li>• income – what money they are receiving</li> <li>• revenue source</li> <li>• hours worked weekly / time spent working business</li> <li>• financial accounts, were they prepared last financial year?</li> <li>• at time of applying, why did they believe they qualified for the wage subsidy?</li> <li>• what was their thinking at the time?</li> </ul> <ul style="list-style-type: none"> <li>• How have you experienced a 30% decline in revenue – ask for evidence of this (see above)?</li> <li>• What evidence could you show us that your business has met the revenue decline test</li> <li>• Who calculated the revenue decline information? Tell us how you worked this out? Explain what revenue calculation included. Accountant or Finance Manager/CFO details, unless applicant.</li> <li>• Request calculations of revenue decline by email.</li> </ul> <p><b>2.3 Mitigation actions</b></p> <ul style="list-style-type: none"> <li>• Tell us about active steps you took to mitigate the impact of the move in Alert Level. Give specific examples and outcomes (includes but not limited to engaging with your bank, drawing on your cash reserves as appropriate, making an insurance claim, IRD loans, other government assistance, moved to online, employees working from home.</li> </ul> <p><b>2.4 A reconciliation of their employee numbers (if they are an employer) to confirm they employed all of the employees named in the application;</b></p>	<ul style="list-style-type: none"> <li>○ Profit and Loss accounts</li> <li>○ Information from Official Assignee</li> <li>○ NZ registered business MBIE information</li> <li>○ Emails</li> </ul> <p>Examples of mitigation actions might include, engagement with bank, drawing on cash reserves, making an insurance claim, providing services on-line.</p>
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If talking to a business with employees, discuss the following and *check* if the information they are providing matches what they advised in their application:

- What number of employees were claimed for?
- What is the nature of the employment for the employees (e.g. full time, part time, casual, contractor)?
- Were all of your employees legally employed in New Zealand?

Get confirmation from the applicant (remember that criteria may vary depending on the exact terms of the declaration):

- Number of Employees applied for – compare with numbers and names listed on the wage subsidy application(s)
- All employees are/were legally employed
- Discuss any variation. PAYE records with IRD show x number of employees or different named employees than that applied for. Explain why there are more/less than previous week. Explain large variation on previous applications (higher/lower). What evidence can you show us to clarify this?

## **2.5 Payroll information showing they continued to retain and pay their employees for the duration of the subsidy.**

- Did you retain your employees named in your application for the duration of the wage subsidy period? Advise them that as part of a post payment integrity checks we may be contacting a sample of their employees that subsidies were applied for to:
  - Confirm they were aware that the subsidy had been applied for
  - Confirm that they received wages for the period of the wage subsidy duration.
- Have you continued to pay all of your employees included in the application?
- How employees were paid i.e lump sum, weekly / fortnightly etc?
- What employees were paid i.e normal wages / salary / 80% / wage subsidy?
- Confirm if they have made any staff redundant during the period the wage subsidy was paid for?
- Are there any staff members who ceased employment during the subsidy period? NB: Explain difference between resignation and redundancy protocol.



<p><b>Discuss providing documentary evidence with the applicant</b></p>          <p><b>Discuss any discrepancy with the Applicant and provide them an opportunity to respond and/or provide further verification</b></p>	<ul style="list-style-type: none"><li>• How did you manage any outstanding subsidy once your employees were paid their correct rate?</li></ul> <p><b>3. Documentary Evidence</b></p> <p>Below are some examples of the types of information that may be sought as verification from the applicant (this is not an exhaustive or complete list but some examples). Requests for verification should be on case-by-case basis and relevant to your integrity check decision making.</p> <ul style="list-style-type: none"><li>• Bank account verification</li><li>• Bank statements</li><li>• Copies of IR returns</li><li>• Evidence of business operating in NZ</li><li>• PAYE returns</li><li>• Profit and Loss accounts</li><li>• Information from Official Assignee</li><li>• NZ registered business MBIE information</li><li>• Emails</li><li>• Proof of redundancy</li><li>• Communication with Employer – memos, staff notices, cessation of employment</li></ul> <p><b>4. Discrepancy and/or insufficient verification to make a determination</b></p> <p>Where you have conflicting information or insufficient information to finalise the review you should, in the first instance, discuss with the applicant to seek clarification and/or verification to confirm the true circumstances.</p>	<p>You ask for documentation that you know they are able to produce now.</p>
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<p><b>Notify the Applicant of the final decision</b></p>	<p><b>5. Communicate your decision to the applicant</b></p> <p>Once you have reached a decision, the next step is to communicate that to the applicant.</p> <p>a. <b>No Further Action (NFA)</b> – Contact applicant and confirm you are satisfied with the outcome of the integrity check and based on the information available the applicant was entitled to receive the wage subsidy, and complied with their obligations under the terms of the relevant Wage Subsidy Scheme.</p> <p>b. <b>Require a Refund</b> - If this is the case, gather and record all of your discussions and decisions that relate to the refund and advise the applicant that they need to refund the amount and why. Confirm that they will receive correspondence by email describing how they can make this repayment.</p> <p>c. <b>Refer for Investigation</b> – Where the outcome is a referral for investigation you will need to email the applicant notifying there are specific concerns/circumstances where it appears there is discrepancy in the information that requires further enquiries and that an Investigator will be in contact in due course.</p>	<p>Remember if they contact you after receiving this email you will need to “caution” them as appropriate.</p>
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**Appendix Three: Post Payment Integrity Check Template**

**Covid 19 Post-Payment Documentary Evidence Programme**

<b>TYPE OF ASSESSMENT</b>	Post payment Integrity Check
<b>PROGRAMME NAME</b>	COVID 19 Prepayment Documentary Evidence
<b>CLAIM NUMBER</b>	
<b>IR NUMBER</b>	
<b>IMS NUMBER</b>	
<b>BUSINESS/NAME</b>	
<b>NZ BUSINESS NUMBER</b>	
<b>CLAIM AMOUNT</b>	
<b>DATE</b>	
<b>CHECKER</b>	

<b>DESK BASED REVIEW</b>	
<b>CSV FILE APPLICATION MADE (80+ Employees only)</b>	YES <input type="checkbox"/> NO <input type="checkbox"/>
<b>RE-APPLICATION</b>	YES <input type="checkbox"/> NO <input type="checkbox"/>
<b>SUBSEQUENT SUBSIDIES RECEIVED</b>	WAGE SUBSIDY <input type="checkbox"/> EXTENSION <input type="checkbox"/> RESURGENCE <input type="checkbox"/> LEAVE SUPPORT <input type="checkbox"/> Total number of previous applications: 0 APPROVED                      0 DECLINED
<b>REFUNDS OF SUBSEQUENT SUBSIDIES</b>	REQUESTED <input type="checkbox"/> RECEIVED <input type="checkbox"/> Reason for refund:
<b>BANK ACCOUNT MATCH (same account as previous application)</b>	YES <input type="checkbox"/> NO <input type="checkbox"/> If no, verification of alternative bank account provided received? YES <input type="checkbox"/>

<b>INVESTIGATION/INTEGRITY CHECK IDENTIFIED</b>	Details/outcome:
<b>INTEGRITY CHECK RISK</b>	Reason for Integrity Check (risk profile):
<p>Conduct relevant checks as outlined in Desk File and attached guidelines for the type of assessment you are completing</p> <p>Embed the previous Integrity Check Sheet into this section.</p> <p>Note in full the outcomes of this and any other relevant information below</p>	

<b>IRD VALIDATION CHECK</b>	
<b>IRD VALIDATION CHECK</b> Contact IR to validate: <ul style="list-style-type: none"> <li>• Registered business</li> <li>• Business type</li> <li>• IRD number</li> <li>• GST registered</li> <li>• Trading pre lockdown</li> <li>• Number and names of employees</li> </ul>	
<b>EMPLOYEE NUMBERS MATCH</b>	YES <input type="checkbox"/> NO <input type="checkbox"/> Notes:

<b>CONTACT WITH EMPLOYER/APPLICANT</b>	
<b>1. Introduction</b> Engage with the applicant to understand their business, the impacts of the Alert Level restrictions during COVID-19 on their business, and how they have made an assessment that they fit the eligibility criteria. Question their recollection of the original	Identify name and position of applicant contacted.

integrity check and can introduce how their application was identified for this process (the risk profile).

Reiterate obligations, including the need to provide verification that of the actual revenue drop attributed to the Alert Level restrictions.

## 2. Qualification

**2.1 Verification that they are a real business** (if applicable, you may already have this information from what you have gathered during Step 1);

- qualifications
- how long has business been operating
- how the business works
- structure

More detailed questions may include but not limited to:

- Tell me about your business?
- Describe your business?
- How do you operate?
- How do you advertise for business?
- How do your clients contact you?
- Who is your client base?
- How do you go about building your business?

**2.2 Information evidencing a 30% and/or a 40% decline in revenue (if they applied under the Wage Subsidy Extension Scheme) related to COVID-19. This may**

**include financial or bank statements;**

- income – what money they are receiving
- revenue source
- hours worked weekly / time spent working business
- financial accounts, were they prepared last financial year?
- at time of applying, why did they believe they qualified for the wage subsidy?
- what was their thinking at the time?
  
- How have you experienced a 30% decline in revenue – ask for evidence of this (see above)?
- What evidence could you show us that your business has met the revenue decline test
- Who calculated the revenue decline information? Tell us how you worked this out? Explain what revenue calculation included. Accountant or Finance Manager/CFO details, unless applicant.
- Request calculations of revenue decline by email.

**2.3 Mitigation actions**

- Tell us about active steps you took to mitigate the impact of the move in Alert Level. Give specific examples and outcomes (includes but not limited to engaging with your bank, drawing on your cash reserves as appropriate, making an insurance claim, IRD

loans, other government assistance, moved to online, employees working from home.

**2.4 A reconciliation of their employee numbers (if they are an employer) to confirm they employed all of the employees named in the application;**

If talking to a business with employees, discuss the following and *check* if the information they are providing matches what they advised in their application:

- What number of employees were claimed for?
- What is the nature of the employment for the employees (e.g. full time, part time, casual, contractor)?
- Were all of your employees legally employed in New Zealand?

Get confirmation from the applicant (remember that criteria may vary depending on the exact terms of the declaration):

- Number of Employees applied for – compare with numbers and names listed on the wage subsidy application(s)
- All employees are/were legally employed
- Discuss any variation. PAYE records with IRD show x number of employees or different named employees than that applied for. Explain why there are more/less than previous week.

Explain large variation on previous applications (higher/lower). What evidence can you show us to clarify this?

**2.5 Payroll information showing they continued to retain and pay their employees for the duration of the subsidy.**

- Did you retain your employees named in your application for the duration of the wage subsidy period? Advise them that as part of a post payment integrity checks we may be contacting a sample of their employees that subsidies were applied for to:
  - Confirm they were aware that the subsidy had been applied for
  - Confirm that they received wages for the period of the wage subsidy duration.
- Have you continued to pay all of your employees included in the application?
- How employees were paid i.e lump sum, weekly / fortnightly etc?
- What employees were paid i.e normal wages / salary / 80% / wage subsidy?
- Confirm if they have made any staff redundant during the period the wage subsidy was paid for?
- Are there any staff members who ceased employment during the subsidy period? NB: Explain difference between resignation and redundancy protocol.
- How did you manage any outstanding subsidy once your employees



were paid their correct rate?	
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<b>SUMMARY</b>	
<b>REVENUE DECLINE TEST MET</b>	YES <input type="checkbox"/> NO <input type="checkbox"/> If yes, documentation of calculation provided and verification? YES <input type="checkbox"/> Notes:
<b>OBLIGATIONS MET AND UNDERSTOOD</b>	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> Notes:
<b>HOW DID THEY PAY STAFF</b>	80% <input checked="" type="checkbox"/> 100% <input type="checkbox"/> OTHER: Notes:
<b>DISCUSSION RE: REPAYMENT OF MONIES IN EXCESS OF WHAT IS REQUIRED</b>	YES <input type="checkbox"/> NO <input type="checkbox"/> Notes:

<b>VERIFICATION DOCUMENTS</b>	
<p>Documentary Evidence</p> <p>Below are some examples of the types of information that may be sought as verification from the applicant (this is not an exhaustive or complete list but some examples). Requests for verification should be on case-by-case basis and relevant to your integrity check decision making.</p> <ul style="list-style-type: none"> <li>• Bank account verification</li> <li>• Bank statements</li> <li>• Copies of IR returns</li> <li>• Evidence of business operating in NZ</li> <li>• PAYE returns</li> <li>• Profit and Loss accounts</li> <li>• Information from Official Assignee</li> </ul>	

- NZ registered business MBIE information
- Emails
- Proof of redundancy
- Communication with Employer – memos, staff notices, cessation of employment

How to embed file:

Save verification document

Put cursor in white box →

Go to Insert

Click and select Object

Click 'Create From File'

Tick 'Display as Icon' and browse for verification document required. Click OK.

Alternatively, Drag and drop from email.

OUTCOME	COMMENTS
No Further Action	Comment:
Refund:	<input type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Circumstances Changed <input type="checkbox"/> Revenue decline not Realised <input type="checkbox"/> Will Not Provide Information <input type="checkbox"/> Insufficient Information to confirm eligibility or compliance with wage subsidy scheme obligations <input type="checkbox"/> Did not continue to pay wages for the duration of the wage subsidy period  Comment:

<b>Investigation:</b> <ul style="list-style-type: none"> <li><b>Outline Reason</b></li> </ul>	<input type="checkbox"/> Business did not exist <input type="checkbox"/> Business did not make application <input type="checkbox"/> Employees not employed at time of application <input type="checkbox"/> False Employees names <input type="checkbox"/> Subsequent Applications require investigation: (please add application ID(s)) <input type="checkbox"/> Refund Requested with no contact <input type="checkbox"/> Other (please comment):
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NEXT STEPS	COMMENTS
NFA	
<b>REPAYMENT REQUIRED OF SUBSEQUENT WAGE SUBSIDY:</b> <ul style="list-style-type: none"> <li>Request Repayment via S2P</li> </ul>	<b>Reason:</b> Ensure IRD number/s are recorded in the comments
<b>MSD INVESTIGATION REQUIRED:</b> <ul style="list-style-type: none"> <li>Outline reason</li> <li>Referred for Investigation</li> </ul>	<b>Reason:</b>
<b>OTHER AGENCY INVESTIGATION REQUIRED:</b> <ul style="list-style-type: none"> <li>Outline reason</li> </ul>	<b>Name of Agency:</b> <b>Reason:</b>
OTHER	

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## Appendix Four – Inland Revenue: What You Can Get

### IR Support & Guideline - Effective 21 December 2020

#### Support

IR have agreed to continue providing information to support MSD investigation and integrity wage subsidy checks and will do so by providing information through buddy requests.

#### IR information:

IR may provide MSD with information from time to time relating to businesses that are or may be Affected Persons or Entities and the employees of those businesses. Affected is as defined under the Wage Subsidy Scheme or its subsequent variants.

IR will provide the following information (where held and available):

- IRD Number
- Full legal name and trading name (if applicable)
- Physical address
- email address or other address
- NZBN (if held)
- An indication whether or not the business was active during the WSS period(s) – generally based on evidence of recent GST returns filed etc
- Business type (eg ANZSIC code)
- Registration date as employer and/or for GST
- Names of employees
- IRD numbers of employees
- Total number of employees
- An indication whether or not the employee was receiving income during the period from the Affected Person or Entity or Applicant – generally based on the most recently filed Employer Monthly Schedule
- Total number of ‘earning’ employees
- An indicator (Y/N) as to whether an employee is also employed by another Affected Person or Entity or Applicant
- Details of any complaints that IR has received about the Affected Person or Entity in relation to a subsidy, including that the Entity has not passed a wage subsidy onto its relevant employees
- An indication of any employees that commenced employment with the Affected person or entity immediately prior (within 1 week) or immediately after the commencement of the WSS
- Confirmation of the receipt of self-employed income prior to the WSS – usually taken from the most recently (2019 or 2020) filed IR 3 return
- If a newly self-employed person – the date of a change in status.
- Gross Earnings and PAYE figures for any employee
- Financial details relating to GST and Income Tax returns filed
- Financial details relating to any employee/shareholder employee.

IR may also provide:

- An indication (using a ‘minimum wage’ formula) whether or not an employee is likely to have been employed on a part-time basis (less than 20 hrs per week)
- Any information (including intelligence) that indicates potential misuse, non-compliance or fraudulent activity in relation to a subsidy, eg submitted Anonymous information.

- An indication if the business has likely suffered a 30% or greater (WS) or 40% (WSX and/or WSR) reduction in turnover as a result of Covid-19. (Please note this is an indication only and will need to be verified by MSD directly with the customer or by other means).

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## Appendix Five – Inland Revenue Template

Name	
D.O.B. or start Date	
Other Identifying information	
Reason Request	
Information required	
Period of request	
I confirm that I have read and signed the IR820 (Certificate of Confidentiality)	

## Appendix Six – Resource Links

The following is a consolidated page with all the relevant links to available resources and key email addresses.

### Links:

- EES Portal: [Emergency Employment Support \(EES\) portal](#)
- For more information on the Wage Subsidy, please click on this [Link](#)
- Guidance on processing actions Please click on this [Link](#)
- Answering questions about the wage subsidy please click on this link [Link](#)
- Integrity Check portal to completed at end of each Integrity Check: [link](#)
- Percentage Calculator: [Percentage Calculator](#)
- A timeline of Alert Level changes, dates of key events: <https://covid19.govt.nz/alert-levels-and-updates/history-of-the-covid-19-alert-system>
- Translation Line: [Interpreting Services \(including Ezispeak\) - Doogle \(ssi.govt.nz\)](#)
- Wage Subsidy Comparison Table: [Wage Subsidy and Leave Support EES information - HIYA homepage - MSD Confluence \(ssi.govt.nz\)](#)
- Declarations
  - Before 4pm on 27 March 2020 - [Declaration Link](#);
  - On or after 4pm on 27 March 2020. [Declaration Link](#);
  - 9 June 2020 Wage Subsidy Extension Scheme declaration [Declaration Link](#) ;
  - 17 August 2020 Resurgence Wage Subsidy declaration [Declaration Link](#); and

### Email Addresses:

- Integrity Check Sheets (completed and requesting previous): Outside scope [@msd.govt.nz](#)
- IR Email address: Outside scope [@ird.govt.nz](#)
- Review of decision: Outside scope [@msd.govt.nz](#) and Outside scope [@msd.govt.nz](#)