

**BASIC FACT SHEET
COVID-19 LEVEL 4**

As we move to Level 4 restrictions non-essential businesses must close and people stay at home. Here are some of the basics for your business:

What is deemed to be an essential service?

The government has provided a list of what is considered an [essential service](#). This is being updated continuously.

My employees can't work from home. What happens?

If the employer can't provide work due to a Government shutdown, in most circumstances employees will still be required to be paid. An exception may be if there is a "force majeure" clause in the employment agreements. "Force majeure" clauses ordinarily state an employer is not required to pay an employee in the event of something out of the control of the employer. It is essential the wording of any "force majeure" is checked to ensure the current situation aligns with the wording of the clause.

If an employer cannot afford to pay their employees, or you do not envisage recommencing trading at the conclusion of this crisis, redundancies are likely to be the outcome. You are still required to follow your good faith obligations, communicate and consult with your employees, and follow a fair and reasonable process before reaching that decision.

One consideration you will need to include is the government subsidy and whether that will allow the business to retain employees.

Can I require my employees to take annual leave?

An employer can require employees to take annual leave but must consult with them first and provide 14 days' notice.

We are an essential service, so what happens?

Continue to operate as required remembering to conduct the risk analysis and put in whatever additional measures are required to protect your employees from the virus.

Can I access the government wage subsidy and how do I do that?

If your business has either experienced a drop in income of 30% or more, or you anticipate it will, due to the virus, you are eligible. Apply [on line here](#) without delay. The subsidy must be used for wages and no other purpose (e.g. other operating costs).

I don't know how long the business can maintain this, even with the subsidy?

Do a cash flow analysis. Remember, depending on your business, others may not be able to pay you. Identify points in time, when reserves hit certain points, or if particular events happen (for example the stage 4 period is extended), when you need to make further decisions.

Please contact us on 03 545 0877 or email office@chapmaner.co.nz if you have any further questions.