

# Advice for Employers During Disruption caused by COVID-19

Current as at 17 March 2020

It is important that you plan to manage the impact COVID-19 will have on your business, particularly in respect of your most important asset - your employees. The government has today released a package designed to assist employers navigate through these uncertain and disruptive times. We set out some key questions here about the COVID-19 impacts on the workplace, however for specific advice as to how we may help you, please contact one of our team below.

## **What obligations do I have regarding my employees' health and safety during a pandemic?**

All employers have a duty to eliminate or minimise risks and hazards to their workers and any others in the workplace under the Health and Safety at Work Act 2015, which includes any risks associated with COVID-19. Along with requiring employees to maintain basic standards of hygiene, this may, in time, extend to requiring employees to stay away from the workplace.

It is important that you consider how your business will continue to operate during this time – do you have the ability to have your employees work remotely? Have you trialled it to ensure that both your network and the employee's home set up can cope? Do your employment agreements or policies allow you to effectively quarantine your employees? Has there been any agreement about how an employee should be paid during this time?

## **If my employees cannot work due to the COVID-19 pandemic, what happens with their pay?**

For employees diagnosed with COVID-19, they are entitled to use paid sick leave. This may not be sufficient to cover the period of illness, so if both parties agree then it may be that the employee uses some of their annual leave. If the parties do not agree, the employer may pay the employee special leave (outside of any statutory minimum requirement) or agree that the employee will take unpaid leave.

If the employee is not sick, but they are required to self-isolate, then sick leave is not payable as of right under the Holidays Act 2003. An employer may agree that sick leave or paid annual leave could be taken, otherwise the employer should pay the employee paid special leave if requiring an employee to stay away from the workplace where an employee is otherwise ready, willing and able to work.

The government wage subsidy announced today is available for all employers significantly affected by COVID-19 to assist with paying employees during this time. Employers will be able to claim \$585.80 per week for a full time employee (20 hours or more) or \$350.00 per week for a part time employee (<20 hours per week), paid as a lump sum for 12 weeks, up to a limit of \$150,000. This should provide businesses of around 20 or less employees the ability to retain all employees, at least for the short term, and provide some assistance to businesses with a larger staff.

## **How do I know if my business is eligible to receive the wage subsidy?**

Employers must have (or be expected to) suffer at least a 30% decline in revenue compared to last year for any month between January to June 2020. Employers need to declare that they will continue to employ the affected employees on at least 80% of their income for the subsidy period, and that they have taken active steps to mitigate the impact of COVID-19.

Applications for the subsidy can be made through WINZ's website [www.workandincome.govt.nz](http://www.workandincome.govt.nz)

## Can I vary the terms of my employees' employment?

Yes, either by agreement with your employees or by going through a restructuring process. With this COVID-19 pandemic, terms of employment that could change may include place and hours/days of work, remuneration, and job descriptions (e.g. for employees that travel a lot, or that may be able to continue to do some work but not all of their work).

## What else do I need to consider, as a business owner during this time?

The important things to consider include:

- How you can maintain essential activities and services, if several staff become sick or have to self-isolate
- What essential goods and services you require
- How any disruption to the supply chain can be managed
- How alternative working arrangements can be implemented – this may include remote working but also extends to social distancing within the workplace
- The importance of maintaining regular contact with any staff working remotely and/or required to self-isolate and not able to work
- What good and services you will need to assist you in continuing to operate during this time – e.g. increasing phone/internet plans, IT support, buy more laptops, etc.
- What you and your staff can do to reduce the spread of COVID-19 in your workplace, including washing hands, social distancing, self-isolating, etc.
- Can authorities be delegated, e.g. do more people need authority to make payments, do payroll, access systems, etc.

The Ministry of Health's website provides the latest updates, information and advice on COVID-19.

## How can Sidekick HR help my business during this time?

We have been drafting policies for workplaces relating to the effects of COVID-19, for example policies around work travel, preventing the spread of infectious diseases, and alternative working arrangements.

We can also assist with general employment advice, including around your obligations under the Health and Safety at Work Act 2015, the Holidays Act 2003 (which sets out legislative provisions around various types of leave), variations to terms of employment, restructuring and/or redundancies, and any other issues affecting employers and their workers during this time.



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