

## **Flexi-wage Employment Assistance Programme**

This welfare programme for special assistance is established and approved under section 101 of the Social Security Act 2018 by the Minister for Social Development and Employment.

### **Contents**

1	Title	1
2	Commencement	1
3	Purpose	1
4	Interpretation	2
5	Application of the Act	3
6	Eligibility for assistance	3
7	Assistance payable to employers	5
8	Types of assistance available	5
9	Payment of assistance	5
10	Applications for assistance	6
11	Matters to be applied in the exercise of discretion	6
12	Review	7
	Schedule	8

### **Programme**

#### **1 Title**

This programme is the Flexi-wage Employment Assistance Programme.

#### **2 Commencement**

This programme comes into force on 15 February 2021.

#### **3 Purpose**

The purpose of this programme is to provide for payments of special assistance to support people, who are at risk of long-term benefit receipt or who are disadvantaged in the labour market, to obtain or retain employment, through providing tailored wage subsidies and associated support.

#### 4 Interpretation

- (1) In this programme, unless the context otherwise requires-

**Act** means the Social Security Act 2018

**assistance** means the special assistance available under this programme

**at risk of long-term benefit receipt**, in relation to a person, means the risk that the person will receive or continue to receive a main benefit under the Act for an indefinite period

**contracted service provider** has the meaning given to it by section 373(1) of the Act

**disadvantaged in the labour market** means a person who has, or is expected to have, difficulty in obtaining or retaining employment that is not subsidised by MSD, including a person who:

- (a) is experiencing significant barriers to obtaining or retaining employment; or
- (b) is experiencing low job security or is underemployed; or
- (c) has or is expected to experience extended displacement due to an economic disruption to their occupation, industry or region

**employment-related training** means training designed to increase a person's skills for employment and includes job-specific, on-the-job training, or short-term training courses or programmes

**GST** means goods and services tax payable in accordance with the Goods and Services Tax Act 1985

**programme** means this Flexi-wage Employment Assistance Programme

**short-term training course** means a course of employment-related training of not more than 12 weeks' duration

**specified assistance** means a payment under the following clauses in the schedule of the Employment and Work Readiness Assistance Programme established and approved by the Minister on 6 March 2014:

- (a) wage subsidies, as specified in clause 2;
- (b) education and employment-related training, as specified in clause 3;

- (c) additional assistance associated with Mana in Mahi, as specified in clause 5A;
- (d) extra or specialist assistance for eligible people with a health condition, injury or disability: wage subsidies, as specified in clause 7(b);
- (e) assistance to access childcare or care for people with health condition, injury, or disability or elderly people: financial assistance paid for longer education and training courses, as specified in clause 9(2)

**specific employment needs** in relation to a person means:

- (a) the person would benefit from temporary employment to develop employment skills to obtain or retain unsubsidised employment; or
- (b) the person's employment is at risk and they would benefit from undertaking temporary employment until their substantive employment is no longer at risk, but they need to develop employment skills in order to undertake the temporary employment

**wage subsidy assistance** means the purchase (by way of a subsidy towards the person's wages or salary) of an employment place for a person eligible to receive assistance to assist the person to gain employment skills required to obtain or retain unsubsidised employment

**52-week period** means a period of 52 weeks commencing from the date the assistance is approved

- (2) In this programme, unless the context otherwise requires, terms used and not defined, but listed in Schedule 2 of the Act, have the meanings given to them (for the relevant provisions or purposes of the Act) by the definitions set out, or referred to, in Schedule 2 of the Act.

## **5 Application of the Act**

- (1) Sections 113, 204, 217, 290, 292, 293, 294, 298, 301, 340 and 417 of the Act apply to this programme as if the special assistance authorised by this programme was a benefit under the Act.
- (2) Nothing in subclause (1) limits or affects the application of any other provision of the Act.

## **6 Eligibility for assistance**

- (1) MSD may, in its discretion, grant the assistance described in the Schedule, and the amounts payable for that assistance

as set out in the Schedule, in respect of a person who meets the eligibility criteria in subclause 2.

- (2) A person is eligible for assistance who-
- (a) is assessed by MSD as:
    - (i) being disadvantaged in the labour market; or
    - (ii) being at risk of long-term benefit receipt; or
    - (iii) having specific employment needs; and
  - (b) is 16 years of age or more; and
  - (c) is ordinarily resident and present in New Zealand at the time of application and is either:
    - (i) a New Zealand citizen or a person who holds or is deemed to hold a residence class visa under the Immigration Act 2009 that permits the holder to work in New Zealand; or
    - (ii) a person recognised as a refugee or protected person under that Act; or
    - (iii) a person holding a temporary class visa under that Act that permits the person to work in New Zealand and who is-
      - (A) awaiting the outcome of their claim for recognition as a refugee or a protected person (within the meaning of that Act); or
      - (B) a person applying for a residence class visa under that Act who is compelled to remain in New Zealand because of unforeseen circumstances; and
  - (d) is not entitled to receive New Zealand superannuation or a veteran's pension, in their own right; and
  - (e) in the case of a person who is not in receipt of a main benefit, has income (including the income of their spouse or partner) equal to or less than the amount of income that would prevent payment of an accommodation supplement to a single person without dependent children (under regulation 18 of the Social Security Regulations 2018), as if the person were single without dependent children, if the person resided in Area 1 (as defined in Part 7 of Schedule 4 of the Act); and
  - (f) is not receiving specified assistance for a same or similar purpose.

- (3) For the avoidance of doubt, a person who has been granted assistance and who-
  - (a) subsequently attains the age of 65 years; and
  - (b) is eligible to receive New Zealand superannuation or a veteran's pension; and
  - (c) who MSD is satisfied should continue to receive assistance, continues to be eligible to receive that assistance.

## **7 Assistance payable to employers**

- (1) An employer may be paid an amount of assistance if they confirm to MSD's satisfaction that they-
  - (a) are operating in New Zealand;
  - (b) comply with the prescribed minimum adult rate of wages pursuant to the Minimum Wage Act 1983;
  - (c) are solvent for the period they receive the assistance; and
  - (d) comply with the terms and conditions of any agreement they enter into with MSD in respect of assistance granted under this programme.
- (2) It is a condition of any agreement entered into between MSD and an employer in respect of assistance provided for a person that the employer retains the person as their employee for a period that exceeds the period the assistance is payable.

## **8 Types of assistance available**

The types of assistance available, and the amounts payable in respect of each type of assistance, is as described in the Schedule.

## **9 Payment of assistance**

- (1) MSD may, in its discretion, having regard to the kind of assistance, pay any assistance granted under clause 6-
  - (a) to an employer of a person granted assistance; or
  - (b) if the assistance is for the purpose of purchasing any goods or services for the person granted assistance, to the provider of the goods or services; or
  - (c) as a periodical payment or payment of a lump sum in advance of the period or part of the period for which it is granted; or
  - (d) in any other manner MSD thinks fit.

- (2) The total amount payable for all types of assistance under this programme, in respect of a person, must not exceed \$22,000 over a 52-week period.
- (3) For the purposes of calculating the total amount described in subclause 2, the amount must include any wage subsidies paid in respect of that person under clause 2 of the Schedule of the Employment and Work Readiness Assistance Programme established and approved by the Minister on 6 March 2014.
- (4) Amounts specified in this programme are inclusive of GST.

#### **10 Applications for assistance**

- (1) A person seeking assistance must provide any information to MSD that MSD reasonably requests in order to assess the person's eligibility for assistance.
- (2) If MSD requires an application form to be completed in order for any specific assistance to be provided for a person, the assistance must not be granted until MSD has received an application form completed to MSD's satisfaction by that person or on behalf of that person.
- (3) MSD may waive all or part of a requirement to provide information (including information specified in an application form) if MSD is satisfied that it:
  - (a) already holds the information concerned; or
  - (b) already holds enough other information to determine the matter for which the information concerned is required.

#### **11 Matters to be applied in the exercise of discretion**

In exercising discretion under this programme, MSD must have regard to-

- (a) the principles in section 4 of the Act;
- (b) any key result areas, performance targets and priority cohorts as set by the Minister in relation to money appropriated by Parliament that may be used for the purpose of granting assistance;
- (c) the principle that assistance will be allocated where the potential benefits are greatest;
- (d) the principle that assistance should minimise adverse impacts on the labour market and should not substitute or displace people within New Zealand's workforce; and

- (e) whether a person who may be eligible for assistance is or may be entitled to any other publicly funded assistance for the same or a similar purpose.

## 12 Review

This programme will be reviewed by MSD two years after the date it comes into force.



Minister for Social Development and Employment

at Wellington this day of 9th February 2021

---

### Explanatory Note

*This note is not part of the programme, but is intended to indicate its general effect.*

This programme is established and approved under section 101 of the Social Security Act 2018 and comes into force on 15 February 2021.

The programme provides for the provision of special assistance for eligible people who are disadvantaged in the labour market or at risk of long-term benefit receipt by supporting them into employment or providing training or in work support until they gain employment skills required and meet the entry level requirements of that job.

## Schedule

### Types and amount of assistance available under this programme

#### 1. Wage subsidy assistance

##### Band one

##### Amount available

A subsidy is payable in respect of a person who: (a) is assessed by MSD as being disadvantaged in the labour market; and (b) otherwise meets the criteria in clause 6(2)(b) to (f).	\$276 per week, up to a maximum of \$6,624, payable over 24 consecutive weeks
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------

##### Band two

##### Amount available

A subsidy is payable in respect of a person who: (a) is assessed by MSD as at risk of long-term benefit receipt; and (b) otherwise meets the criteria in clause 6(2)(b) to (f).	\$276 per week, up to a maximum of \$9,936, payable cover 36 consecutive weeks
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------

##### Band three

##### Amount available

A subsidy is payable in respect of a person who: (a) is assessed by MSD as being disadvantaged in the labour market and at risk of long-term benefit receipt; or (b) is assessed by MSD as being disadvantaged in the labour market, at risk of long-term benefit receipt, and as having specific employment needs; and (c) otherwise meets the criteria in clause 6(2)(b) to (f).	A payment that is equivalent to a weekly amount not exceeding the minimum adult rate of wages prescribed in the Minimum Wage Act 1983, for employment of 30 hours per week, not exceeding a total amount of \$22,000.
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



**2. Employment-related training assistance**

Assistance for employment-related training necessary is available to assist a person, in respect of whom wage subsidy assistance is payable under this programme, to gain employment skills required to obtain or retain unsubsidised employment, as follows:

- (a) The actual and reasonable fees charged by a training provider or employer not exceeding \$1,000 for a short-term training course, on-the-job-training, or other short-term training as approved by MSD, that is intended to assist a person with specific employment skills deficits; and
- (b) A total amount not exceeding \$5,000 for the purchase, in respect of a person, of a place in a course, being a course at level 3 or below on the New Zealand Qualifications Framework, that is intended to assist a person with specific employment skills deficits.

**3. In-work support assistance**

Actual and reasonable costs are payable for a person, in respect of whom wage subsidy assistance is payable under this programme, for wrap-around support MSD considers necessary to support the person to maintain their employment including services that may be provided by a contracted service provider, as approved by MSD.