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## **Tax on Wage Subsidy**

### **Common questions on support for Employers during covid-19**

**If, as an employer I am receiving the wage subsidy on behalf of an employee, do I have to pay GST on the subsidy?**

No – it will be treated as exempt from GST.

**As an employer, do I have to pay tax on the wage subsidy I receive for an employee?**

No, you don't have to pay tax on a wage subsidy as it's classified as excluded income.

**Does an employee need to pay tax on a wage subsidy payment?**

Yes, they will as the subsidy is paid to the employer as part of their normal wages. This means it is subject to the usual PAYE, Student Loan, KiwiSaver deductions, etc.

**If, as an employer I am receiving the leave payment on behalf of an employee because they are in self-isolation, do I have to pay GST?**

No – it will be treated as exempt from GST.

**If I'm self-employed do I have to pay tax if I receive a leave payment because I am in self-isolation?**

This payment will be treated as income for tax purposes.

**If I'm an employee do I need to pay tax if I receive a leave payment because I am in self-isolation?**

The leave payment will be paid to your employer, and you will receive it like normal wages. This means it's subject to the usual PAYE, Student Loan, KiwiSaver deductions, etc.

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