



Isolation Income Support

February 2022

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Supporting those under Isolation and Quarantine Orders

Objective

To provide income support to people who are unable to work due to Isolation or Quarantine Orders by providing financial assistance so that people do not have to worry about making ends meet if they test positive.

This also compensates people for a loss of (some) income they suffer as a result of complying with Orders that are not their fault.

How much is paid?

The payments will be paid at two rates, following the example from the Wage Subsidy.

Under a 7-day isolation requirement, for full-time workers (20 hours per week or more), this amount will be five days (35 hours total – adjusting for the weekend in a similar manner to the wage subsidy) at the minimum wage, with part-time workers (between 5 and 19 hours per week) receiving half this amount. Previous orders stipulating 10 days of isolation or quarantine will be supported at 8 days (64 work hours total).

If someone is working both a full-time and part-time job at the same time, that person will be eligible for a maximum of one full-time and one part-time payment together in each round of support.

Each worker is limited to a maximum of two rounds of this payment overall through the remainder of 2021-22. In the event of an extended isolation order, such as back-to-back orders due to quarantine of a household and isolation of the worker individually, this would be considered two rounds of support.



Who is eligible?

To qualify for this measure people must:

- be employed in the private sector (government employees have access to special leave provisions). This includes:
 - sole traders and company owners/directors who are registered with RMD and CINSF
 - contractors to Government who do not meet the criteria for special leave from the Government;
- have received an Isolation Order or a Quarantine Order from Te Marae Ora for a period stipulated to be of five days or more such that they cannot work;
- not be able to maintain their work whilst in isolation or quarantine (for example, cannot work from home);
- be a person who, as a result of the Isolation or Quarantine Order, will have their take home pay or leave entitlements negatively impacted. For example,
 - at the start of the period of isolation and quarantine, they did not have an employment contract that allows for sick leave entitlements (e.g. contractors or sole traders) and who are unable to work according to their normal pattern, or
 - Despite having sick leave entitlements (regardless of the balance available), the quarantine or isolation requirement will deplete the balance because they are unable to work (e.g. those unable to work from home whilst in isolation or quarantine to fulfil the requirements of their role).

Employers will need to have their CINSF declarations up to date and filed in order for the payment to be made.

Interaction with the Wage Subsidy and Sole Trader Grants

For employers who are receiving the Wage Subsidy, employees who receive an Order will be eligible to continue to receive the Wage Subsidy paid for that employee. Essentially, nothing will change for employers or employees in this case, with the Wage Subsidy continuing to be passed through the employer to the employee for the period they are unable to work. The obligations of the employer to pass on the Wage Subsidy remain the same.

For employers who are not receiving the Wage Subsidy, they will be able to apply for the Isolation Income Support on behalf of their employees, as explained below.

For Sole Traders who have received a Sole Trader Grant for the month where they have been ordered to isolate or quarantine, they will not qualify for the Isolation Income Support in addition to this. Sole Traders who do not qualify for a Grant, or choose not to apply for a Grant, can apply for the Isolation Income Support as per the process below, with themselves being listed as an employee.

How to apply

Isolation Income Support is paid retrospectively to the employer. At the beginning of each month, the employer will make claims through the CINSF portal for those employees who were required to isolate (with an Order) in the previous month. **Employers are encouraged to make the payment to the employee as they are isolating, then be reimbursed the following month.**

- The employer must login to their CINSF account from (expected to be ready to apply by 1 April 2022 – if earlier, and announcement will be made) and apply for the Isolation Income Support for all employees who were subject to an Isolation or Quarantine Order in the previous month, providing all necessary information as instructed.
 - Applications will be assessed against a list of people who have been subject to Orders from Te Marae Ora. **If your employees received documentation surrounding the Order, this should be uploaded as part of the application.**
 - Employers will need to provide the Isolation or Quarantine start date as part of their application for each employee.
- If the employer is applying for the Wage Subsidy as well, the Wage Subsidy application will be made first, and if this is unsuccessful then you will be able to apply for the Isolation Income Support.
- If the employer is not applying for the Wage Subsidy, they can choose to opt-out from the Wage Subsidy application (by simply not submitting an application) and apply for Isolation Income Support.
- Eligibility will be assessed with regard to records of Isolation and Quarantine Orders from Te Marae Ora and government payroll records.
- Once verified, payment will be made to the employer's nominated account as identified in Te Roro/CINSF.

For any queries about this measure please call Economic Planning Division on 29511 or email MFEM.Economics@cookislands.gov.ck

Cost

This measure is expected to cost up to \$1.9 million and is funded through the Economic Recovery Roadmap (ERR).

Tax status

Similar to the Wage Subsidy, this payment forms part of an employees taxable income for income tax purposes and should be treated accordingly for PAYE purposes.

For further information, contact

Economic Planning Division

Ministry of Finance and Economic Management

PO Box 120, Avarua, Rarotonga, Cook Islands

Telephone: +682 29511 ext. 7208

Email: MFEM.Economics@cookislands.gov.ck

Website: www.mfem.gov.ck

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