

The Cook Islands Government is continuing to provide critical lifeline support through an increased wage subsidy

On July 1, the Government's COVID-19 Economic Response Plan (ERP) enters Phase II – a **\$76 million** continuation of the comprehensive financial support plan which will carry the country to a post-pandemic future.

By extending the wage subsidy for a further 3 months through to the end of September, Government is ensuring the machinery of the economy will remain intact by providing lifeline financial support that will protect livelihoods.

First introduced as part of Phase I of the Economic Response Plan (ERP) to COVID-19, the subsidy is designed to ensure employers keep their staff on the payroll and keep their businesses functioning as best as possible under the current circumstances.

The subsidy will continue to be available for eligible businesses, payable at the minimum wage for a further three-months beginning July 1 through to the end of September, at the following rates:

- **\$320 per week per full-time employee** working 20 hours per week or more (Previously \$266 per week)
- **\$160 per week for a part-time employee**, working between 5 and 19 hours per week (previously \$133 per week)

The subsidy is available to businesses operating in the Cook Islands that have experienced a revenue decline as a result of the pandemic.



As many as 400 businesses have qualified for the measure since its introduction, benefitting over 3,500 members of the workforce with more than \$9 million paid in subsidies to businesses.

To be eligible, businesses must be registered with the Revenue Management Division of the Ministry of Finance and Economic Management and the Cook Islands National Superannuation Fund (CINSF).

Business will no longer be eligible for the subsidy if at any time their turnover increases to more than 50 per cent of the turnover in the same month last year. Businesses will continue to be assessed on a monthly basis by the Revenue Management Division.

The extension of the subsidy follows its wide em-

brace by the public and the private sector, which were in urgent need of immediate financial support following the implementation of border restrictions and the swift decline of the tourism sector last March.

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Entities supported by the wage subsidy range from small businesses with a single employee to large companies with as many as 180 staff. Over three-quarters of businesses being supported have 10 or fewer employees.

“We recognise that many families have been struggling on reduced wages and we hope that this increase provides a sense of relief for you,” says Finance Minister Mark Brown. “This is additional money that you will see in your bank accounts each pay day.”

The estimated total cost for Phase II of the ERP is \$76 million, funded through the 2020-2021 annual budget and scheduled to be tabled in Parliament later this month.

For additional information, please visit www.mfem.gov.ck/erp Alternatively, feel free to contact the Ministry of Finance and Economic Management by email at tax.info@cookislands.gov.ck or by phone at +682 29365.

