



## COVID-19 Economic Response Plan

### FACT SHEET

March 2020

# Fact Sheet 1: Income support for Individuals

## Overview

The Cook Islands Government's economic response to the COVID-19 pandemic includes the following income support measures for individuals:

- School Closure Support payment of \$100 for each child for each fortnight that school holidays are extended.
- Electricity subsidy of 100 per cent for households on Rarotonga and Aitutaki for 3 months starting from the 19 March 2020 meter reading.
- One-off welfare payment of \$400 to old age pensioners, care givers and the infirm and destitute who are registered with the Ministry of Internal Affairs (INTAFF).
- Reduction in individual employee Cook Island Superannuation Fund (CINSF) contributions from 5 to 3 per cent for a 3-month period.
- One month of benefits at the minimum wage to be provided to all individuals who have become unemployed due to the impact of COVID-19.
- Employment Services scheme to assist individuals in finding new employment as soon as possible.

## Estimated total cost

The estimated total cost of the individual income support measures is \$3.9 million over the next 3 months. This includes:

- \$1 million for the child benefit measure;
- \$1 million for the electricity subsidy;
- \$0.87 million for the one-off welfare payments;
- \$0.97 million for the unemployment initiative; and
- \$0.05 million for the Employment Service.



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## Timing and administration

### School closure support payment

#### Objective

School closures are enforced in an attempt to curb the risk of contamination and exposure to COVID-19. This payment is to assist parents given the mandatory closure of schools.

#### About the additional child benefit

The school closure support is defined as an additional \$100 on top of the current \$50 for each beneficiary for every fortnight of school closure outside of the school holidays. This benefit is intended for every child between the ages of 0-16 years, including non–Cook Islander children. Current child benefit recipients will receive a payment of \$150 per fortnight, those not currently on the child benefit will receive a payment of \$100 per fortnight.

Payments will be administered by the Ministry of Internal Affairs on the 1<sup>st</sup> and 16<sup>th</sup> of every month that this measure is in place, with payments for new registration commencing from the next fortnight.

#### How to apply

No application is required for those children already receiving the child benefit.

The application process for those children who are not currently receiving child benefit is:

- Download the form “School Closure Support” from [www.covid19.gov.ck](http://www.covid19.gov.ck) or the INTAFF website [www.intaff.gov.ck](http://www.intaff.gov.ck)
- Complete, sign and attach the form, along with an e-copy of the passport of the child and one parent
- Provide a BCI bank account for the child or alternatively another bank account for child or parent
- Email all documents to [intaff@cookislands.gov.ck](mailto:intaff@cookislands.gov.ck) or if you don't have an email, drop off a hard copy of the form and documents at INTAFF's Welfare and Employment Support Hub, located at Sinai Hall, Avarua.
- Note that office reception will be strictly limited, with support available on 29370.

If you have any queries about this measure please call INTAFF on 29370.

### Electricity subsidy

#### Objective

Te Aponga Uira in Rarotonga and Te Mana Uira o Araura in Aitutaki are subsidising electricity bills to provide income support to their domestic customers to mitigate the economic impact of the COVID-19 crisis.

#### About the subsidy

The subsidy, which applies to all domestic electricity customers, will commence from the next meter reading from the 19 March 2020.

Monthly electricity bills will be 100 per cent discounted to all domestic customers on Rarotonga by Te Aponga Uira for a 3-month period, which will be reviewed every month.

Te Mana Uira o Araura will be providing a 100 per cent discount to all domestic customers on Aitutaki for a 3-month period, which will be reviewed every month.

### **How to apply**

No application is required to access the subsidy. Customer bills will be adjusted by the two electricity companies.

## **One-off welfare payment**

### **Objective**

The objective of this measure is to provide additional income support to those individuals already registered for welfare payments. Not only are these individuals most vulnerable to health risks from the pandemic but are also likely to be highly exposed to the economic impacts.

### **About the welfare payment**

A one-off welfare payment of \$400 will be made to all current individuals registered in the welfare system for the old age pension, care givers allowance and the infirm and destitute allowance.

People who are currently receiving a foreign pension and any new applicants for welfare will not qualify for this payment.

If you qualify for this payment under more than one category, for example as a pensioner and a caregiver, you will only be entitled to one payment of \$400.

Payments will be administered in April 2020 by the Ministry of Internal Affairs.

### **How to apply**

No application is required to access the one-off payment.

## **Reduced CINSF contributions**

### **Objective**

Reductions in the mandatory CINSF contributions will temporarily increase employee's take home pay providing additional financial support for households during the COVID-19 crisis.

### **About the reduced contributions**

Employee Cook Island Superannuation Fund (CINSF) contributions will be reduced from 5 to 3 per cent for a 3-month period between 1 April and 30 June 2020.

### **How to apply**

You do not need to do anything to apply for this measure. Your employer will make the necessary changes to your fortnightly pay.

## Unemployment benefits

### Objective

The objective of this measure is to provide financial support to employees who have been terminated by their employer as a result of the COVID-19 pandemic.

### About the unemployment benefit

Any individual aged 16 years or older (excluding students and self-employed) whose employment has been terminated since 1 March 2020 as a result of the COVID-19 pandemic is eligible for the unemployment benefit.

Eligible recipients will be paid \$266 per week for a period of 4 weeks. During this time, you will be required to work with INTAFF to find alternative work opportunities through their **Employment Services** initiative. If you find work during this period, you will no longer be eligible for the payment.

Recipients that are unsuccessful in securing new employment in 4 weeks will be placed on the Destitute Allowance.

This measure will commence from 1 April 2020, with payments administered by the Ministry of Internal Affairs. Payments will be made on the 1<sup>st</sup> and 16<sup>th</sup> of the month, starting from the date of application, if not prior to the date of final pay. If required, back payments can be made to the date of the final pay or at the earliest, to 1 April 2020.

PAYE will not be deducted from the unemployment benefit, nor will CINSF contributions, however it will need to be declared as income through the annual tax return process.

### How to apply

The application process to access the unemployment benefit is:

- Download the “Unemployment Benefit” form from [www.covid19.gov.ck](http://www.covid19.gov.ck) or INTAFF website [www.intaff.gov.ck](http://www.intaff.gov.ck)
- Complete and sign the form
- Provide the following supporting documents:
  - valid identification document (passport/ driver’s license/ birth certificate)
  - RMD Number and proof of CINSF
  - letter of termination from employer dated from 1 March, or alternatively, get your employer to sign the application form
  - your bank account number.
- Email e-copies of all documents to [intaff@cookislands.gov.ck](mailto:intaff@cookislands.gov.ck) or if you don’t have an email, drop off a hard copy of form and documents at the INTAFF’s Welfare and Employment Support Hub, located at Sinai Hall, Avarua.
- Note that office reception will be strictly limited, with support available on 29370.

If you have any queries about this measure please call INTAFF on 29370.

## Employment Services

### Objective

In addition to the unemployment benefit, the Ministry of Internal Affairs will assist any individual in finding new employment as soon as possible through the offering of Employment Services.

### Eligibility

Any individual of working age, that is 16 years and above.

Use of the Employment Services is compulsory for all beneficiaries of the Unemployment benefit measure, while registration is voluntary for any other interested individual.

### How to apply

No application is required for individuals who are on the Unemployment benefit scheme, these individuals will be automatically enrolled.

Individuals who are not on the Unemployment benefit scheme and wish to seek employment should:

- Download the “Employment services-demand” form from [www.covid19.gov.ck](http://www.covid19.gov.ck) or the INTAFF website [www.intaff.gov.ck](http://www.intaff.gov.ck)
- Complete and sign the form, attach any required supporting documents
- Email an e-copy of the form and all documents to [intaff@cookislands.gov.ck](mailto:intaff@cookislands.gov.ck) or if you don't have email, drop off hard copies at INTAFF's Welfare and Employment Support Hub, located at Sinai Hall, Avarua.
- Office reception will be strictly limited. Telephone support available on 29630.

Employers that are seeking additional staff should:

- Download the “Employment services-offer” form from [www.covid19.gov.ck](http://www.covid19.gov.ck) or the INTAFF website [www.intaff.gov.ck](http://www.intaff.gov.ck)
- Complete and sign the form, attach any required supporting documents
- Email an e-copy of the form and all documents to [intaff@cookislands.gov.ck](mailto:intaff@cookislands.gov.ck) or if you don't have email, drop off hard copies at INTAFF's Welfare and Employment Support Hub, located at Sinai Hall, Avarua.

### Conditions

- The unemployment benefit measure is conditional on agreement for redeployment or training, if the opportunity is made available.
- Access to the employment services is free of charge
- To facilitate movement between employers for the purposes of the Employment Services scheme, immigration conditions for our migrant workers will be temporarily relaxed.

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## For further information contact

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