



# ECONOMIC RESPONSE PLAN: COVID-19

## GOVERNMENT OF THE COOK ISLANDS

### Factsheets outlining the eligibility and application process for the Government's COVID-19 Economic Response Plan are now available online.

The Economic Response Plan is aimed at supporting local business, and the livelihoods of those most affected by the economic impacts of COVID-19. Details on each of the support mechanisms are available in the relevant factsheets. To receive the support, businesses must be registered with both CINSF and the Revenue Management Division of the Ministry of Finance and Economic Management, if you are not registered you have until 30 April to do so. Applications for the wage subsidy and cash grants will open on the 1st April 2020. We appreciate your patience while the system is established to ensure that the payments are processed in a streamlined manner.



## INCOME SUPPORT FOR INDIVIDUALS

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, caregivers 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.

## FINANCIAL SUPPORT FOR BUSINESSES

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



- ▶ Private sector wage subsidy at the minimum wage to all employers who are affected by COVID-19 for a period of up to 3 months.
- ▶ A further training subsidy at the minimum wage to support recognised training initiatives for a period of up to 3 months.
- ▶ Reduction in employer Cook Islands National Superannuation Fund (CINSF) contributions from 5 to 3 per cent for a 3-month period.
- ▶ Self-isolation support at the minimum wage for two weeks to assist eligible employees required to self-isolate by the Ministry of Health.
- ▶ Cash grants of up to \$15,000 to assist eligible businesses.
- ▶ Electricity subsidy of 60 per cent for all businesses on Rarotonga and 100 per cent subsidy for all businesses on Aitutaki, for 3 months starting from the 19 March 2020 meter reading.

## TAX SUPPORT FOR INDIVIDUALS & BUSINESSES

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



- ▶ Income tax credit of \$2,000 for short-term accommodation providers with up to 10 beds.
- ▶ Provisional tax adjustments:
  - businesses and individuals can re-estimate their provisional tax;
  - early refunds where provisional tax has been overpaid;
  - the provisional tax threshold increased from \$2,000 to \$5,000.
- ▶ Tax relief through payment instalment arrangements and serious financial hardship measures.

For further information and full details on the Government's economic response to the COVID-19 pandemic, please visit the MFEM website at [www.mfem.gov.ck/economic-planning/covid-19-economic-response-plan-erp](http://www.mfem.gov.ck/economic-planning/covid-19-economic-response-plan-erp) or email Natalie Cooke, Director Economic Planning at [natalie.cooke@cookislands.gov.ck](mailto:natalie.cooke@cookislands.gov.ck)