

OAK Business Services guide to Australian Government C-19 stimulus

Note: This is general information only and is based on our interpretation of the stimulus packages. Please contact us if you would like more information.

oakbusinessservices.com.au

Updated: 29 April 2020



Who it benefits	Benefit	\$ Offer	Terms
Small - Medium sized Businesses with employees	Boosting cash flow for employers	Minimum \$20,000 up to \$100,000	<p>Eligibility:</p> <ol style="list-style-type: none"> 1. Small to Medium sized businesses with aggregated annual turnover under \$50 million that employ workers (based on prior year turnover). 2. Eligible employers that withhold tax to the ATO on their employees salary and wages will receive a payment equal to 100% of the amount withheld up to \$50,000. 3. Eligible employers that pay salary ad wages will receive a minimum payment of \$10,000, even if they are not required to withhold tax. 4. Payment only available to active eligible employers established prior to 12 march 2020. However charities registered with Australian Charities and no-for-profit commission will be eligible regardless of when they were registered. <p>Timing:</p> <p><u>Monthly Lodgers</u> - within their March, April, May and June 2020 lodgements. (to be in line with quarterly lodgers, March will be 300%).</p> <p><u>Quarterly Lodgers</u> - within their March and June 2020 lodgements.</p> <p>The minimum payment will be applied to the entities' first lodgement.</p>
Small - Medium sized Businesses	Additional Payment - July - October 2020 period.	Equal to the total of all of the 'boosting cash flow for employers payments' received	<p>Eligibility:</p> <ol style="list-style-type: none"> 1. Entity must continue to be active. <p>Timing:</p> <p><u>Monthly lodgers</u> will be eligible for June, July, August, September 2020 lodgements. Each payment will be equal to a quarter of their total initial boosting cash flow for employers payment (up to a total of \$50,000).</p> <p><u>Quarterly lodgers</u> will be eligible for June and September 2020. Each additional payment will be equal to half of their total initial boosting cash flow for employers payment (up to a total of \$50,000).</p>
Small Businesses	Wage Subsidy	50% of the Apprentice's or Trainee's wage	<p>Eligibility:</p> <ol style="list-style-type: none"> 1. Small businesses employing fewer than 20 full time employees who retain and apprentice or trainee and paid wages during 1 January 2020 - 30 September 2020. 2. Apprentice or Trainee must have been in training with a small business at 1 March 2020. 3. Employers of any size and Group Training Organisations that re-engage an eligible out-of-trade apprentice or trainee will be eligible for the subsidy. 4. Employers will be able to access the subsidy after an eligibility assessment is undertaken by an Australian Apprenticeship Support Network (AASN) provider. <p>Timing:</p> <ol style="list-style-type: none"> 1. Employers can register from April 2020, final claims lodged by 31 December 2020. 2. Further info at www.dese.gov.au and www.australianapprenticeships.gov.au
Sole Trader/Self-Employed/Permanent Employee/Causal Worker	Coronavirus Supplement	\$550 per Fortnight - Duration not identified	<p>Eligibility:</p> <p>Payment Categories</p> <ul style="list-style-type: none"> • Jobseeker Payment (and all payments progressively transitioning to Jobseeker Payment; those currently receiving Partner Allowance, Widow Allowance, Sickness Allowance & Wife Pension) • Youth Allowance Jobseeker • Parenting Payment (Partnered & Single) • Farm Household Allowance • Special Benefit recipients • Income Testing still applies <p>Anyone who is eligible for the Coronavirus supplement will received the full rate of the supplement of \$550 per fortnight</p> <p>Expanded Access to these Payment Categories</p> <p>For the period of the "coronavirus" supplement, these payments have expanded their access streams.</p> <ol style="list-style-type: none"> 1. Jobseeker Payment & Youth Allowance Jobseeker criteria can be accessed by permanent employees who are stood down or lose their employment, Sole traders, The self-employed, casual workers and contract workers who meet the income tests as a result of the economic down turn - 2. Income test as a result of the economic down turn

Currently Receiving a Centrelink Payment	Economic Support Payment	\$750 (in 1 - 2 payments)	<p>Eligibility:</p> <p>Payment 1</p> <p>1. If you're currently receiving one of the following payments: Age Pension, Disability Support Pension, Carer Payment, Carer Allowance, Parenting Payment, Wife Pension, Widow B Pension, ABSTUDY (Living Allowance), Austudy, Bereavement Allowance, Newstart Allowance, Youth Allowance, Partner Allowance, Sickness Allowance, Special Benefit, Widow Allowance, Farm Household Allowance, Family Tax Benefit A, Family Tax Benefit B, Double Orphan Pension.</p> <p>2. If you lodge a claim of one of the eligible payments or concession cards at time from 12th March - 13th April 2020 inclusive and the claim is granted</p> <p>Timing:</p> <p>First payment 31st March</p> <p>If you already received these payments, You don't need to do anything, You'll receive it on 31st March</p> <p>Timing will vary if you lodge a claim of one of the eligible payments or concession cards at time from 12th March - 13th April 2020 inclusive and the claim is granted</p> <p>Eligibility:</p> <p>Payment 2</p> <p>1. Residing in Australia.</p> <p>2. Receiving one of the payments or holding one of the concession cards that were eligible for the first payment (except those who are receiving an income support payment that is eligible to receive coronavirus supplement such as):</p> <p>Income support recipients that are eligible to receive the Coronavirus supplement are:</p> <ul style="list-style-type: none"> • JobSeeker Payment (and payments progressively transitioning into JobSeeker Payment) • Youth Allowance Jobseeker • Parenting Payment (Partnered and Single) • Farm Household Allowance • Special Benefit <p>Timing:</p> <p>1. Paid automatically from 13th July 2020</p> <p>2. Veteran Gold Card holders will be contacted to confirm their account details for urgency deposit</p>
Sole Trader/Self-Employed/Permanent Employee/Casual Worker	Youth Allowance/JobSeeker Payment/Parenting Payment	Varies	<p>Eligibility:</p> <p>1. If you're unable to work</p> <p>2. In isolation or Hospitalised</p> <p>3. Caring for children</p>
Sole Trader/Self-Employed/Permanent Employee/Casual Worker/Retiree	Early Access to Superannuation	Untaxed withdrawals up to \$10,000 in FY19/20 and \$10,000 in FY20/21	<p>Eligibility:</p> <p>1. Unemployed</p> <p>2. Eligible to receive job seeker payment/youth allowance for jobseekers/parenting payment/ special benefit or farm household allowance</p> <p>3. on or after 1st January 2020: you were made redundant/your working house were reduced by 20% or more/ If you're a sole trader, your business was suspended or there was a reduction in your turnover of 20% or more</p> <p>Timing:</p> <p>1. Apply from Mid April 2020</p> <p>2. There will be no tax on the amounts released and the withdrawal will not affect Centrelink or Veterans' Affairs payments</p>
Varied Sized Businesses	Instant Asset Write Off	Increased from \$30,000 to \$150,000 per asset	<p>Eligibility:</p> <p>1. All Businesses with aggregated annual turnover of less than \$500 million (previously \$50 million) until 30 June 2020.</p> <p>2. It is due to revert back to \$1,000 for small businesses (turnover less than \$10 million) from 1st July 2020.</p> <p>Timing:</p> <p>1. Assets purchased from announcement 12nd March - 30 June 2020, for new or second hand assets first used or installed ready for use in this timeframe</p> <p>Keep in mind these changes do not take effect until new laws are passed</p>
Varied Sized Businesses	Backing Business Investment	15 Month investment Deduction of 50% of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of the assets cost	<p>Eligibility:</p> <p>1. Businesses with aggregated turnover below \$500 million and;</p> <p>2. New assets that can be depreciated under Div 40 of the Income Tax Assessment Act 1997 (i.e. plant, equipment and specified intangible assets such as patents) and acquired after the announcement and first used or installed before 20 June 2021. Does not apply to second-hand Div 40 assets, or buildings and other capital works depreciable under Div 43.</p> <p>Timing:</p> <p>Applies to eligible assets acquired after announcement 12th March - 30 June 2021.</p>
Small and Medium Enterprises	Coronavirus SME Guarantee Scheme	More easily accessed funding for Working Capital	<p>Benefit to SME's:</p> <p>1. unsecured finance</p> <p>2. SME will only incur interest on amount drawn down of the loan, not whole amount</p> <p>Terms:</p> <p>1. Maximum total size of loans of \$250,000 per borrower</p> <p>2. Loans will be up to 3 years, with initial 6 month repayment holiday</p> <p>3. Loans will be in form of unsecured finance, meaning the borrowers will not have to provide an assets as security for the loan</p> <p>4. Still subject to lenders' credit assessment processes</p>

Businesses/Individuals	Temporary higher threshold and more time to respond to demands from creditors	Change to Thresholds	Details: 1. Time frame to respond to statutory demand is extended from 21 days - 6 months. This will apply for six months 2. Threshold for minimum amount of debt required for a creditor to initiate bankruptcy proceedings will increase from \$5,000 to \$20,000. This will apply for six months 3. When a debtor declares an intention to enter voluntary bankruptcy by making a declaration of intention to present a debtors petition, there is a period of protection which is extended to 6 months. This will apply for six months
Directors	Temporary relief from Directors' personal liability for trading while insolvent	Financial Responsibility Relief for Directors	Details: 1. Directors will be temporarily relieved of their duty to prevent insolvent trading, with respect to any debts incurred in the ordinary course of company's business. This will apply for six months 2. Temporary relief from personal liability for insolvent trading will apply with respect to debts incurred in the ordinary course of the company's business. Any debts incurred by the company will still be payable by the company
Soletraders, Employers	Jobkeeper	\$1,500 per eligible employee per fortnight	Eligibility: 1. <u>Employers</u> • If their business has aggregated turnover less than \$1billion (for income tax purposes) & their estimated turnover has fallen or will likely fall 30% or more or • If their business has an annual turnover of \$1billion or more (for income tax purposes) & their estimated turnover has fallen or will likely fall by 50% or more and their bank is not subject to the major levy 2. <u>Self-employed individuals</u> Will be eligible to receive the jobkeeper payment where they meet the relevant turnover test as listed above for employers, and are not a permanent employee of another employer. 3. <u>Charities</u> Registered with the Australian Charities & Not-for-profit commission (ACNC), they will be eligible if they estimate their turnover will likely fall by 15% or more relative to a comparable period. The lower turnover decline does not apply to universities and non-government schools that are registered as charities, they will remain subject to the turnover decline tests set out above for other not-for-profits and businesses. 4. <u>Employees receiving Parental Leave</u> Pay from services Australia are not eligible. However employees on parental leave from their employer are eligible. 5. <u>Employees receiving workers compensation</u> Will be eligible for the jobkeeper payment if they are working, even on reduced hours, but will generally not be eligible if they are not working. How to apply: 1. <u>Basic method</u> Comparison of turnover to a relative period in an earlier year. E.g March 2020 compared to March 2019. However, where a business as not in operation a year earlier or where their turnover a year earlier was not representative of their usual or average turnover, the Tax Commissioner will have discretion to consider additional information that the business can provide to establish they have been adversely affected by COVID19. Businesses that are in liquidation are not eligible for this payment. 2. <u>Alternative method</u> The Tax Commissioner will also have discretion to set out alternative tests that would establish eligibility in specific circumstances. There will be some tolerance where employers in good faith, estimate a 30% or more or a 50% or more fall in turnover but actually experience a slightly smaller fall. Payment process: 1. Eligible employers will be paid \$1,500 per fortnight per eligible employee. This payment will be received by the employee before tax, and the employer is to pay Superannuation on top of this amount. 2. If an employee receives \$1,500 or more income per fortnight before tax, they will continue to receive their regular income according to their prevailing workplace arrangements. The jobkeeper payment will assist their employer to continue operating by subsidising all or part of the income of their employee. If an employee would otherwise receive less than \$1,500 in income per fortnight before tax, their employer must pay their employee, at a minimum, \$1,500 per fortnight before tax. If an employee has been stood down, their employer must pay their employee, at a minimum \$1,500 per fortnight before tax 3. No Superannuation guarantee payments are required to be paid on any additional payment made because of the jobkeeper payment. E.g employee ordinarily earns \$1,000 before tax a fortnight, their employer would only be required to pay superannuation on this amount, not the full \$1,500. 4. Payments will be made to the employer monthly in arrears by the ATO Timing: Subsidy will start 30th March 2020, with the first payments to be received 1st week of May. How to apply: 1. Employers to provide their employees with the 'Jobkeeper employee nomination notice' form to complete. 2. Employers to enrol through the ATO's Business portal. 3. Soletraders can use ATO online services using myGov, or through a registered BAS/Tax Agent.

*These payments are subject to Income testing and eligibility requirements by Centrelink.