

Support for Businesses

Boosting Cash Flow Payments to Employers – PAYG Withholding

A compliant employer who continue to employ workers, can receive a credit equal to 100% of the PAYG withheld (PAYGW) with the maximum payment of \$100,000 and the minimum payment of \$20,000 (aggregated annual turnover of less than \$50 million).

JobKeeper

The JobKeeper payment will also be available to the **self employed**. The government will provide \$1,500 per fortnight per employee for up to 6 months.

A business with turnover of less than \$1 billion must have their turnover reduced by more than 30% relative to a comparable period a year ago.

Supporting Apprentices and Trainees

Eligible employers can apply for a wage subsidy of 50% of the apprentice's or trainee's wage for up to 9 months from 1 January 2020 to 30 September 2020. Subsidy will be available for current apprentices and where not able to retain an apprentice, the subsidy will then be available to a new employer that employs that apprentice.

Payroll Tax (Victoria)

Businesses with payroll threshold of less than \$3 million in Victoria, who pay payroll tax will receive a refund of all payroll tax they have paid since 1 July 2019.

You will still need to lodge monthly returns and complete an annual reconciliation, but you don't need to make further payments.

You can also defer paying payroll tax for the period 1 July 2020 to 30 September 2020. Further details will be provide in July 2020.

Payroll Tax (Other States)

Each state is providing different allowances due to COVID-19. Consider which states are applicable.

Private Rent Relief

Discuss/negotiate with landlord/ tenant the options to reduce rental payments that both parties can manage.

Commercial Rent Relief (Victoria)

Commercial tenants in government buildings can apply for rent relief.

SME Guarantee Scheme

The Government will provide a guarantee of 50 per cent to lenders to SMEs for new unsecured loans to be used for working capital.

The Scheme will commence by early April 2020 and be available for new loans made by participating lenders until 30 September 2020.

SMEs with a turnover of up to \$50 million will be eligible to receive these loans;

the maximum total size of loans will be limited to \$250,000 per borrower;

the loans will be up to three years, with an initial six-month repayment holiday;

the loans will be in the form of unsecured finance.

Banks

Each bank is providing different allowances due to COVID-19. Ensure client contacts their bank provider to see what they are eligible for.

Small Business Relief Package:

May defer loan repayments for impacted small business for six months.

Applied to small businesses with less than \$3 million in loans.

Interest is capitalised, meaning either the term of the loan is extended or payments are increased after the deferral period.

Business Support Fund (Victoria)

Businesses are eligible to apply for a grant through the Fund if they meet the following criteria:

- Have been subject to closure or highly impacted by shutdown restrictions announced by the Victorian Government to-date; and

- Employ people; and

- Have a turnover of more than \$75,000; and

- Have payroll of less than \$650,000; and

- Hold an Australian Business Number (ABN) and held that ABN at 16 March 2020; and

- Have been engaged in carrying out the operation of the business in the Australian State of Victoria on 16 March 2020.

Instant Asset Write Off Increase

If you buy an asset between 12 March 2020 to 30 June 2020 under the cost of \$150,000 this will be instantly written off for you to claim as deduction against your taxable income. Please note the asset needs to be installed and ready for use before 30 June 2020 (aggregated annual turnover of less than \$500 million).

Asset Depreciation Acceleration

If you buy any asset between 12 March 2020 until 30 June 2021, you will be able to claim an accelerated depreciation deduction, for an additional 50% in the financial year of installation and ready for use. Please note this does not apply to second hand assets, nor to assets subject to Instant Asset Write Off (aggregated annual turnover of less than \$500 million).

The ATO's support measures

On a case by case basis: Options available to assist businesses include:

- deferring by up to four months the payment date of amounts due through the business activity statement

- allowing businesses on a quarterly reporting cycle to opt into monthly GST reporting in order to get quicker access to GST refunds they may be entitled to;

- allowing businesses to vary PAYG instalment amounts to zero for the March 2020 quarter. Businesses that vary their PAYG instalment to zero can also claim a refund for any instalments made for the September 2019 and December 2019 quarters;

- remitting any interest and penalties, incurred on or after 23 January 2020, that have been applied to tax liabilities;

- offering low interest payment plans to help businesses pay their existing and ongoing tax liabilities.

Temporary relief for financially distressed businesses

Temporarily increase the threshold (from \$2,000 to \$20,000) at which creditors can issue a statutory demand on a company and the time (from 21 days to six months) that companies have to respond to statutory demands they receive;

Temporarily increase the threshold (from \$5,000 to \$20,000) for a creditor to initiate bankruptcy proceedings, increase the time period (from 21 days to six months) for debtors to respond to a bankruptcy notice, and extend the period of protection (also from 21 days to six months) a debtor receives after making a declaration of intention to present a debtor's petition;

Temporarily relieve directors from any personal liability for trading while insolvent; and

Provide temporary flexibility in the *Corporations Act 2001* to provide targeted relief for companies from provisions of the Act to deal with unforeseen events that arise as a result of the Coronavirus health crisis.

Support for Individuals and Households - Superannuation

Support for Individuals and Households

Temporary early access to superannuation

Eligible individuals will be able to apply to access up to \$10,000 of their superannuation before 1 July 2020. They will also be able to access up to a further \$10,000 from 1 July 2020 for approximately three months. Eligible if:

- they are unemployed;

- they are eligible to receive a job seeker payment, youth allowance for jobseekers, parenting payment (which includes the single and partnered payments), special benefit or farm household allowance; or

- on or after 1 January 2020: the individual was made redundant; the individual's working hours were reduced by 20 per cent or more; or if the individual is a sole trader — their business was suspended or there was a reduction in their turnover of 20 per cent or more.

Reduction in Superannuation Minimum Drawdown Requirements

The Australian Government is reducing superannuation minimum drawdown requirements for account-based pensions and similar products by 50% for the 2019-20 and 2020-21 income years.

One Off Stimulus Payment

Two separate \$750 tax-free payments will be provided to social security, veteran and other income support recipients and eligible concession card holders as follows:

The first payment will be available to people who are eligible payment recipients and concession card holders at any time from 12 March 2020 to 13 April 2020 inclusive;

The second payment will be available to people who are eligible payment recipients and concession card holders on 10 July 2020.

Income support for individuals — Coronavirus supplement

Eligibility to income support payments will be temporarily expanded, and a new, time-limited Coronavirus supplement will be established.

The Coronavirus supplement will be paid to both existing and new recipients of the eligible payment categories.

These changes will apply for the next six months, and payments will commence from 27 April 2020.

Anyone who is eligible for the Coronavirus supplement will receive the full rate of the supplement of \$550 per fortnight.

Income support partner pay income test

JobSeeker Payment is subject to a partner income test, and today the Government is temporarily relaxing the partner income test to ensure that an eligible person can receive the JobSeeker Payment, and associated Coronavirus Supplement, providing their partner earns less than \$3,068 per fortnight, around \$79,762 per annum.

Land Tax Deferral (Victoria)

Land owners due to pay 2020 land tax that have at least one non-residential property and total taxable landholdings below \$1 million have the option of deferring their 2020 land tax payment until after 31 December 2020.

If you have already paid your 2020 land tax, you can request a return of the tax paid.

Please note the tax will need to be paid in full by 31 March 2021.

Land Tax (Other States)

Each state is providing different allowances due to COVID-19. Consider which states are applicable

Private Rent Relief

Discuss/negotiate with landlord/ tenant the options to reduce rental payments that both parties can manage.

Centrelink

Consider Centrelink payments if eligible (e.g. JobSeeker, Youth Allowance). This might be more relevant for Parent's adult children if not eligible for JobKeeper Payment.

Child Care Subsidy

Get up to 62 absences & when your service has to close: you shouldn't have to pay a gap fee.

Private Health Insurance

Premium rise has been postponed until at least 1 October 2020.