



ANDRESEN
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PARTNERS

LEADING THE WAY

We are here to help.

As with every business, we are monitoring the current COVID-19 situation, following health advice and hygiene procedures and doing whatever we can to ensure our staff, clients and the community stay safe.

Our office is still currently open and available for you, either by phone call or zoom to assist you in any way during this turbulent time.

What does the Government Stimulus Package mean to you?

Below we have summarised the Government Stimulus measures that have been announced thus far.

Business Key Facts

“Job Keeper” wage subsidy available to all businesses significantly affected by Coronavirus

The JobKeeper wage subsidy will provide a flat payment of \$1,500 per employee per fortnight over the next 6 months to businesses affected by Coronavirus.

Employee eligibility:

- Full-time and part-time employees and casuals that have been with their employers for at least 12 months are all eligible for this payment
- Only currently engaged employees (employed at 1st March 2020), including those stood down, qualify for the payment. If employees have been retrenched, they would need to be reinstated to qualify for the benefit.
- Sole-traders without employees that meet the turnover tests will also be eligible.

Business eligibility subject to “required turnover decline”:

- Businesses with turnover of up to \$1 billion
- Business revenue must have drop by 30%
- The turnover decline will require that turnover of a current period be compared with a comparable period of a year earlier (of at least onemonth duration).
- Applies to employees registered with their employer from 1 March 2020.
- The first payment will be made via the ATO from 1 May and will be backdated to 30th March 2020.

[Businesses can register their interest online now here](#)

Assistance for Victorian small business impacted by Coronavirus

There is a \$10,000 grant available from the Victorian Government for those businesses most affected by coronavirus. Applications opened 30th March 2020 and close on 1st June 2020.

The eligibility for the grant follows:

- Employ staff
- Have been subject to closure or is highly impacted by Non-Essential
- Activity Directions issued by the Deputy Chief Health Officer to-date. For more information on affected sectors - [click here](#)
- Have a turnover of more than \$75,000
- Have payroll of less than \$650,000
- Hold an Australian Business Number (ABN) and have held that ABN at 16 March 2020.

[Click here to apply for businesses](#)

Business Support: Cash flow boost for employers

Businesses with an annual turnover under \$50 million will receive a tax-free payment of \$20,000 to \$100,000 based on PAYG W (available to active eligible employers established prior to 12 March 2020).

This will be automatically credited by the ATO through lodgement of the Activity Statements.

Stimulus package 1 amount is based on 100% of PAYG W reported on the activity statement from January to June 2020 (minimum \$10,000 and maximum \$50,000 benefit).

Stimulus package 2 is an additional amount equal to the benefit received in stimulus 1, split evenly over the lodgement periods of June to September 2020.

Stimulus 1 and 2 cross over in the June 2020 activity statement lodgement.

Here is a practical example of how it works:

E.g. for a monthly PAYG Withholding payer withholding \$8,000 per month.

Entity Name

Your PAYG Withholding Period is Monthly.

Your estimated PAYG Withholding per period is \$8,000.

Bas Period	Date Due	Stimulus 1	Stimulus 2	Total
March	21/04/2020	\$24,000	\$ -	\$24,000
April	21/05/2020	\$8,000	\$ -	\$8,000
May	21/06/2020	\$8,000	\$ -	\$8,000
June	21/07/2020	\$8,000	\$12,000	\$20,000
July	21/08/2020	\$ -	\$12,000	\$12,000
August	21/09/2020	\$ -	\$12,000	\$12,000
September	21/10/2020	\$ -	\$12,000	\$12,000
		\$48,000	\$48,000	\$96,000

Other Announcement Options/Considerations

SRO VIC payroll tax waived for 2020:

- Applicable to employers with annual taxable wages up to \$3 million
- SRO will automatically refund any tax that has already been paid in the financial year
- Continue to lodge returns however, you will not be required to make further payments for this financial year
- You can also defer paying for the first quarter of 2021

Trainee/Apprentice wage assistance for small businesses:

- Small businesses with fewer than 20 full time employees
- You can apply for a wage subsidy of 50% of the relevant wage from the 9 months, Jan 2020 to Sep 2020
- Instant asset write off threshold increase from \$30,000 to \$150,000

Bank loan relief and new loans:

- Potential for banks to lend up to \$250,000 unsecured loan for working capital
- Loans can be up to 3 years, with an initial 6 month repayment holiday
- Speak to landlords requesting a deferral on rent payments

ATO cash flow assistance:

- Payment deferrals of up to 4 months
- Changing GST reporting from quarterly to monthly if credits are available
- Varying down PAYG Instalments
- Remission of interest and penalties incurred after 23 Jan 2020
- Low interest payment plans of existing and ongoing tax liabilities

Personal Key Facts

Income Support for Individuals

The new Coronavirus supplements:

A new 6-month 'Coronavirus supplement' of \$550 per fortnight will be paid to individuals who are currently eligible for certain income support payments, including the:

- Jobseeker Payment
- Youth Allowance
- Parenting Payment (Partnered and Single)

Expanding access (and eligibility) to certain income support payments

- Expand access to certain income support payments (e.g. the Jobseeker Payment, the Youth Allowance Jobseeker and the Parenting Payment) for eligible individuals
- According to the Government, this could include the following who meet the income tests, as a result of the economic downturn due to the
- **Coronavirus:**
 - permanent employees who are stood down or lose their employment
 - sole traders
 - the self-employed
 - casual workers
 - contract workers
- Asset testing for the Job Seeker Payment, the Youth Allowance Jobseeker and the Parenting Payment will be waived for the period of the Coronavirus supplement

Tax-free payments of \$750 to eligible recipients

The Government will be providing 2 separate \$750 tax-free payments (referred to as 'economic support payments') to social security, veteran and other income support recipients and to eligible concession card holders.

Early access to superannuation benefits

The Government will introduce a new compassionate ground of release that will allow individuals to access their superannuation entitlements where those benefits are required to assist them to deal with the adverse economic effects of the Coronavirus, but only where **one or more of the following requirements** are satisfied:

1. The individual is unemployed.
2. The individual is eligible to receive the Jobseeker Payment, Youth Allowance for jobseekers, Parenting Payment (which includes the single and partnered payments), Special Benefit or Farm Household Allowance.
3. On or after 1 January 2020 either:
 - the individual was made redundant; or
 - the individual's working hours were reduced by at least 20%; or
 - if the individual is a sole trader – their business was suspended or there was a reduction in the business's turnover of at least 20%.

Eligible individuals will be able to access (as a lump sum) up to **\$10,000** of their superannuation entitlements before **1 July 2020**, and a further **\$10,000** from **1 July 2020** (subject to a six-month time frame).

Reducing the minimum drawdown amounts for superannuation pensions

The Government will be temporarily reducing the superannuation minimum drawdown amounts for account-based pensions and similar products by 50% for the 2020 and 2021 income years

Reducing social security deeming rates

As of 1 May 2020, the upper deeming rate will be reduced from 3% to 2.25%, and the lower deeming rate will be reduced from 1% to 0.25%

If you would like further clarification or assistance, please contact our office and our team would be happy to help

Phone: 03 9439 4455

Good luck in navigating your business through this current situation. We hope that you, your staff and families stay well and hopefully we can all adapt and persevere to keep businesses running.

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