



COVID-19

Federal Government Stimulus package No. 2




10+
YEARS

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Support for businesses

Cashflow for employers


- The Government is enhancing the “Boosting cashflow for employers” measure announced in the March 12 package, by providing up to \$100,000 to eligible small and medium sized businesses (SME), and not for-profits (NFPs) that employ people, with a minimum payment of \$20,000.
 - SME business entities who are employers with aggregated annual income under \$50 million are eligible.
 - NFPs, inclusive of charities, with aggregated annual income under \$50 million that employ workers are also eligible.
 - Employers will receive a payment equal to 100 per cent of their salary and wages withheld (up from 50 per cent), with the maximum payment being increased from \$25,000 to \$50,000.
 - Minimum payment is increasing from \$2,000 to \$10,000.
 - Additional payments introduced in the July to October 2020 period, with eligible entities to receive an additional payment equal to the total of the “Boosting cash flow for employers” payments they had previously received.
 - Eligible entities will receive at least \$20,000 and up to \$100,000.
 - The cash flow boost provides a tax-free payment to employers and is automatically calculated by the Australian Taxation Office (ATO).
 - There are no new forms required.
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Eligibility

- Eligibility will generally be based on prior year turnover.
- The payment will be delivered by the ATO as an automatic credit in the activity statement system from 28 April 2020 upon employers lodging eligible upcoming activity statements.
- Eligible employers that withhold tax to the ATO on their employees' salary and wages will receive a payment equal to 100 per cent of the amount withheld, up to a maximum payment of \$50,000.
- Eligible employers that pay salary and wages will receive a minimum payment of \$10,000, even if they are not required to withhold tax.
- The payments will only be available to active eligible employers established prior to 12 March 2020.
- Charities which are registered with the Australian Charities and Not-for-profits Commission will be eligible regardless of when they were registered, subject to meeting other eligibility requirements. This recognises that new charities may be established in response to the Coronavirus pandemic.

Additional payment eligibility


- To qualify for the additional payment, the entity must continue to be active.
- For monthly activity statement lodgers, the additional payments will be delivered as an automatic credit in the activity statement system.
- This will be equal to a quarter of their total initial "Boosting cash flow for employers" payment following the lodgment of their June 2020, July 2020,



August 2020 and September 2020 activity statements (up to a total of \$50,000).

- For quarterly activity statement lodgers, the additional payments will be delivered as an automatic credit in the activity statement system.
- This will be equal to half of their total initial “Boosting cash flow for employers” payment following the lodgment of their June 2020 and September 2020 activity statements (up to a total of \$50,000).

Temporary relief for financially distressed businesses


- A temporary increase in the threshold at which creditors can issue a statutory demand on a company and the time companies have to respond to statutory demands they receive.
 - A temporary increase in the threshold for a creditor to initiate bankruptcy proceedings, an increase in the time period for debtors to respond to a bankruptcy notice, and extending the period of protection a debtor receives after making a declaration of intention to present a debtor’s petition.
 - Temporary relief for directors from any personal liability for trading while insolvent.
 - Providing 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.
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Increasing instant asset write-off

- The Government is increasing the instant asset write-off threshold from \$30,000 to \$150,000 and expanding access to include businesses with aggregated annual turnover of less than \$500 million (up from \$50 million) until 30 June 2020.

Supporting apprentices and trainees

- Eligible employers can apply for a wage subsidy of 50 per cent of the apprentice's or trainee's wage for 9 months from 1 January 2020 to 30 September 2020.
 - Where a small business is not able to retain an apprentice, the subsidy will be available to a new employer that employs that apprentice.
 - Employers will be reimbursed up to a maximum of \$21,000 per eligible apprentice or trainee (\$7,000 per quarter).
 - Support will also be provided to the National Apprentice Employment Network, the peak national body representing Group Training Organisations, to co-ordinate the re-employment of displaced apprentices and trainees throughout their network of host employers across Australia.
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Support for individuals and households

Coronavirus supplement

- Temporary eligibility expansion to income support payments and establishing a new, time-limited Coronavirus supplement to be paid at a rate of \$550 per fortnight.
- The supplement will be paid to boost existing and new recipients of JobSeeker payments, Youth Allowance Jobseeker payments, Parenting payments, Farm Household Allowances and Special Benefits.
- This will be paid for the next 6 months, with eligible income support recipients receiving the full amount of the \$550 Coronavirus supplement on top of their payment each fortnight.

Payments for households

- A further \$750 payment to social security and veteran income support recipients and eligible concession card holders, except for those who are receiving an income support payment that is eligible to receive the coronavirus supplement.
 - This second payment will be made automatically from 13 July 2020.
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Early release of superannuation

- Eligible individuals will be able to apply online through myGov 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.

Eligibility

To apply for early release you must satisfy any one or more of the following requirements.

- You are unemployed.
- You are eligible to receive a Job Seeker payment, Youth Allowance for Jobseekers payment, Parenting payment (which includes the single and partnered payments), Special Benefit or Farm Household Allowance.

On or after 1 January 2020:

- You were made redundant.
- Your working hours were reduced by 20 per cent or more.
- if you are a sole trader — your business was suspended or there was a reduction in your turnover of 20 per cent or more.
- People accessing their superannuation will not need to pay tax on amounts released and the money they withdraw will not affect Centrelink or Veterans' Affairs payments.



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