



Further Extension, and Explanation of Coronavirus Stimulus Package

Stage one and Stage two, totalling \$84bn, of the Government stimulus package was passed in Federal Parliament last night without objection.

The government announced further measures that will support casual workers, sole traders, retirees and those on income support as part of its second, \$66 billion dollar, stimulus package.

How can you benefit?

Direct payment to individuals

In addition to the \$750 stimulus payment announced on March 12, welfare recipients will receive a further tax-free cash payment of up to \$750.

The extra \$750 payment will be made to social security and veteran income support recipients, as well as eligible concession card holders.

An added \$550 per fortnight will be available for both existing and new recipients of the Jobseeker Payment, Youth Allowance jobseeker, Parenting Payment, Farm Household Allowance and Special Benefit.

The asset test and waiting period has been waived, allowing those who have lost their jobs to easily qualify. People who earn less than \$1,075 a fortnight will be eligible of the full benefit.

The unemployed will now receive \$1,100 a fortnight, with the extra coronavirus supplement being paid for six months.

The first payment (announced March 12) is made on March 31 and will be given to anyone who has been on a benefit between March 12 and April 13. The second payment will be made automatically from July 13.

Access to super

Individuals are able to access up to \$10,000 of their superannuation in the 2019/20 financial year and a further \$10,000 in 2020/21.

Withdrawals will be tax-free and available to those who are eligible for the above coronavirus supplement, as well as sole traders who have seen their work hours or income decline by 20 per cent or more.

Super drawdown

The government will offer a temporary reduction in the superannuation minimum drawdown requirements by 50 per cent for the 2019/20 and 2020/21 financial years.

Retirees will have more flexibility as to how they manage their superannuation assets.

PAYG withholding cash flow assistance – extension

Employers with an aggregated annual turnover of less than \$50 million will receive a tax-free payment equal to 100% of taxes withheld from employee's salary and wages up to \$50,000 for both the March and June 2020 quarters. This has increased from the 50% offered in the initial stimulus package.

Eligible businesses that pay salary/wages will receive a minimum of \$20,000 (was \$2,000) even if they are not required to withhold tax.

The benefit totals a maximum of \$100,000 and a minimum of \$20,000.

Payments will generate automatically following lodgement of the March 2020 BAS and will be received as a credit on your integrated client account from 28 April 2020. Any refunds will be issued within 14 days following this date.

Deeming rates and loan guarantees

The government has reduced deeming rates by a further 0.25 per cent to reflect the latest rate reductions by the Reserve Bank. The lower deeming rate is now 0.25 per cent and the upper deeming rate 2.25 per cent. Deeming rates are used to calculate an individual's income for a range of important government benefits (including the age pension).

The government will guarantee 50 per cent of unsecured loans taken out by small businesses in the six months starting April 1, 2020 with banks who join the scheme. Loans can be up to \$250,000 over a 3-year term and won't have repayments for the first 6 months. The scheme is not available to existing customers wanting to refinance.

GENERAL ADVICE

Talk to your bank, they have a range of assistance options, we cannot speak for your bank, so if they have not contacted you contact them.

Please contact us before you extend any credit facilities, you need to remember that we may be in this new world for an extended length of time and any action you take needs to be sustainable and ensure that you are in a solid position to come out the other side.

Want to know more? Would like information specific to your situation? Contact our team today. 07 46130311 or admin@accession3.com.

We are mostly working from home now, the office will be attended for prearranged appointments only.