



FPA COVID-19 Summary of Federal Government Support

Support for business

JobKeeper Payment

Businesses impacted by the coronavirus will be able to access a subsidy from the Government of \$1,500 per fortnight per eligible employee for up to 6 months from 30 March 2020. This includes full-time, part-time, or long-term casual employees.

Employers will be eligible for the subsidy if:

- their business has a turnover of less than \$1 billion and their turnover will be reduced by more than 30 per cent, or
- their business has a turnover of \$1 billion or more and their turnover will be reduced by more than 50 per cent, and
- the business is not subject to the Major Bank Levy.
- The employer must have been in an employment relationship with eligible employees as at 1 March 2020.
- Self-employed individuals where they have suffered or expect to suffer a 30 per cent decline in turnover.
- Not-for-profit entities (including charities) that meet the turnover tests that apply for businesses.

Participating employers will be required to ensure eligible employees will receive, at a minimum, \$1,500 per fortnight, before tax. The JobKeeper payment does not include the superannuation guarantee.

Employers must register to participate in the scheme. They will need to make an application to the Australian Taxation Office (ATO) and provide supporting information demonstrating a downturn in their business. Employers must report the number of eligible employees employed by the business on a monthly basis.

Treasury has released a factsheet on this measure available [here](#), and a factsheet on employer responsibilities in relation to this measure available [here](#).

More details are available on the [Business Australia website](#), including the registration process.

(See the Support for Individuals and Households (below) for how this payment will support individuals.)



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Grants for small and medium-sized businesses

Small and medium-sized businesses with a turnover of up to \$50 million will be eligible for grants of between \$20,000 and \$100,000 to assist with the cost of maintaining staff. To be eligible, businesses must have employed staff between 1 January 2020 and 30 June 2020.

The first round of payments will be equal to 100 percent of the PAYG tax withheld on employee salary with a minimum of \$10,000 and to a maximum of \$50,000. Grants will be issued automatically based on business activity statements or installment activity statements from 28 April 2020.

The second round of payments will occur for the period July to October, these being equal to the total payments received under the first round.

Treasury has released a factsheet on these grants available [here](#).

SME loan guarantee and funding measures

Banks will offer unsecured three-year loans of up to \$250,000 to businesses with a turnover of less than \$50 million. Fifty percent of the loan value will be underwritten by the Federal Government. Loans will be interest-free for the first six months, interest-only for the next six months and principle and interest for the remaining two years.

Loans will be available through the banks' normal business lending channels. For example:

[Commonwealth Bank](#)

[NAB](#)

[Westpac](#)

[ANZ](#)

The RBA has provided a \$90 billion term funding facility for banks to reduce the cost of finance for small and medium-sized businesses. The facility is expected to result in a significant reduction in the interest rate charged in business loans - as little as 4.5 percent per annum. A \$15 billion funding facility for non-bank lenders has also been deployed.

Small and medium business helpline expanded

Operations at the business.gov.au 13 28 46 Contact Centre will increase from five days per week to seven days per week and provide additional hours of support outside standard operating hours for the first month, answering calls from 7am to 11pm AEST.



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ATO support

The ATO has announced a range of measures to assist affected businesses with their tax obligations, including PAYG payment deferrals and changes to reporting frequency for GST.

More details are available on the [ATO website](#).

Instant asset write-off

The Government has increased the instant asset write-off threshold from \$30,000 to \$150,000. It is now available to all businesses with a turnover of up to \$500 million until 30 June 2020.

The Government is also offering an accelerated depreciation schedule for some other assets that do not qualify for an instant write-off.

Treasury has released a factsheet on these measures available [here](#).



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Regulatory changes

Insolvency laws

The Government will provide relief from insolvency laws, including by increasing the threshold for a creditor to issue a statutory demand from \$2,000 to \$20,000 and the threshold for a creditor to initiate bankruptcy proceedings from \$5,000 to \$20,000. Companies will now have up to six months to respond to a claim. There will also be a six-month reprieve for Directors personal duty to prevent insolvent trading.

Treasury has released a factsheet on these changes available [here](#).

FASEA April Exam

FASEA advises that the April 2020 face to face sittings of its Adviser Exam are canceled due to these challenges. The Exam Provider ACER, will make the April exam available to registered candidates as a remote online option – irrespective of the distance to an exam centre. An option to defer until June or a later sitting is also available to candidates. ACER requests candidates to ensure their email addresses are up to date in the registration system.

Read FASEA's announcement [here](#)

FASEA CPD

FASEA encourages Licensees to take a supportive approach to compliance in these extraordinary circumstances.

Licensee CPD policies are required to include potential relief provisions to assist the needs of advisers affected by extenuating circumstances (including medical). Advisers affected in this way should consider contacting their Licensee to determine the most appropriate approach to their individual position.

Read FASEA media release [here](#)



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TPB CPE activities relaxed

The Tax Practitioners Board has temporarily removed the 25% cap for relevant technical/professional reading activity until 30 September 2020, with the following conditions:

- you must first and foremost, explore and undertake online CPE offerings (as these online activities are becoming more readily available)
- you must keep a [log book](#) detailing all the CPE activities undertaken.

All elements of TPB's CPE requirements still apply, including:

- complete 60 CPE hours over a three-year registration period
- complete a minimum of seven CPE hours annually
- undertaking activities relevant to the services you are registered to provide.

FPA's [Return to Learn](#) can assist members in meeting these CPE requirements.

Read the TPB's statement and CPE Policy [here](#).

TPB Annual declaration and renewal concessions

The Tax Practitioners Board will temporarily waive the requirement to complete annual declarations for some tax practitioners. If your annual declaration is due on or before 31 December 2020, you do not have to complete it until 2021 or 2022 (if your registration renewal is due in 2021).

You must, however, continue to meet your other obligations around professional indemnity insurance, fit and proper requirements and personal tax obligations.

Read TPB's statement [here](#).



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ASIC priorities

Until at least 30 September 2020, the other matters that ASIC will afford priority are where there is the risk of significant consumer harm, serious breaches of the law, risks to market integrity and time-critical matters.

ASIC has immediately suspended a number of near-term activities that are not time-critical. These include consultation, regulatory reports, and reviews, such as the ASIC report on executive remuneration, updated internal dispute resolution guidance and a consultation paper on managed discretionary accounts. Stakeholders will shortly be notified of deferred consultation and publications relevant to them.

Where warranted, relief or waivers from regulatory requirements will also be provided. ASIC will maintain its enforcement activities and continue to investigate and take action where the public interest warrants us to do so against any person or entity that breaks the law. However, it will focus on action necessary to prevent immediate consumer harm, egregious illegal conduct, and other time-critical matters.

Read ASIC's media release [here](#).

Further resources from ASIC can be found [here](#)

AUSTRAC – early release of super identification verification

AUSTRAC will introduce a Rule to ensure that superannuation funds making payments to their members under the Government's Early Release of Superannuation measure, where the payment is approved by the ATO and processed through My Gov and ATO online, will not have to conduct additional customer verification under the AML/CTF regime.

Read AUSTRAC's statement [here](#).

AUSTRAC – Compliance Report extension

The Compliance Report 2019 is due to be submitted to AUSTRAC by 31 March 2020. AUSTRAC will accept 2019 compliance reports until 30 June 2020, without risk of compliance action.



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AUSTRAC will not take any compliance action against small to medium businesses who have been restricted from opening due to COVID 19 social distancing measures, if they are unable to submit the report.

Read AUSTRAC's statement [here](#).



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Support for individuals and households

JobKeeper Payment

Eligible employees will receive, at a minimum, \$1,500 per fortnight, before tax, from their participating employer, and employers are able to top-up the payment. This includes full-time, part-time, long-term casuals and stood down employees.

In circumstances where an employee is accessing support through Services Australia because they have been stood down or had their hours reduced and the employer accesses the JobKeeper Payment for the employee, the employee will need to advise Services Australia of their new income.

Where employers participate in the scheme, their employees will receive this payment as follows.

- If an employee ordinarily receives \$1,500 or more in 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(s).
- If an employee ordinarily receives 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.
- If an employee was employed on 1 March 2020, subsequently ceased employment with their employer, and then has been re-engaged by the same eligible employer, the employee will receive, at a minimum, \$1,500 per fortnight, before tax.

It will be up to the employer if they want to pay superannuation on any additional wage paid because of the JobKeeper Payment.

As this is a business subsidy, employees should contact their employer to enquire if they will be applying for the JobKeeper Payment.

Treasury has released a factsheet for employees on this measure available [here](#).



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Superannuation - early superannuation access

People experiencing financial distress will be able to withdraw up to \$10,000 from their superannuation accounts in 2019-20 and another \$10,000 in 2020-21. Withdrawals will be tax free. Applications can be made via the [myGov website](#)

Treasury has released a [fact sheet](#) on early access to superannuation.

Superannuation - minimum drawdown rates

The minimum drawdown requirements for superannuation will be temporarily reduced by 50 percent for 2019-20 and 2020-21. For example, the minimum rate for under-65s will reduce from four percent to two percent.

Treasury has released a [fact sheet](#) on minimum drawdown rates.

Deeming rates

The Government has announced a further reduction of 0.25 percent to the social security deeming rates, following the 0.5 percent reduction announced in early March. From 1 May 2020, the upper deeming rate will be 2.25 percent and the lower deeming rate will be 0.25 percent.

Treasury has released a [fact sheet](#) on reducing deeming rates.

Increased and accelerated income support

The Government is introducing a number of income support measures for Australians already receiving certain payments, and new recipients. Eligibility for each of the new support payments differs and is explained on the [Services Australia](#) website. The Government is expanding eligibility for some payments and making them easier to claim.

[First \\$750 Economic Support Payment](#)

The first \$750 Economic Support Payment is a one-off payment to those already receiving [certain payments](#), including the Age Pension and those on the Commonwealth Seniors Health Card between 12 March 2020 and 13 April 2020.



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[Coronavirus Supplement](#)

A temporary fortnightly \$550 Coronavirus Supplement on top of the normal payment, will automatically be paid to [eligible income support payment recipients](#) from 27 April for up to six months. New applicants claiming one of the eligible payments who have their claim approved, will also receive the supplement.

The income support payment categories eligible to receive the Coronavirus Supplement are:

- Jobseeker Payment (and all payments progressively transitioning to the Jobseeker Payment; those currently receiving Partner Allowance, Widow Allowance, Sickness Allowance and Wife Pension)
- Youth Allowance Jobseeker
- Parenting Payment (Partnered and Single)
- Farm Household Allowance
- Special Benefit recipients

Asset testing for these payments will be waived from 27 April for 6 months, except for Farm Household Allowance and Special Benefit. Income testing will still apply.

Eligibility criteria for the Jobseeker Payment and Youth Allowance Jobseeker payments will be expanded to provide access to the Coronavirus Supplement to:

- permanent employees who are stood down or lose their employment;
- sole traders;
- the self-employed;
- casual workers; and
- contract workers

This could also include a person required to care for someone who is affected by the Coronavirus.

[Second \\$750 Economic Support Payment](#)

Those who are not eligible for the Coronavirus Supplement may get a second \$750 Economic Support Payment, payable from 13 July 2020.



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[Crisis Payment](#)

A [Crisis Payment](#) is available to certain recipients if they need to self-isolate.

[Claiming payments](#)

Australians can claim online through [myGov](#) using a Centrelink online account, or contact [Services Australia](#).

Treasury has released a [fact sheet](#) on income support..

[Pension Loans Scheme](#)

The Pension Loans Scheme is a voluntary reverse equity mortgage that can offer support for war veterans a fortnightly income stream to supplement their retirement income. The payments may be made for a short period of time while your income and assets are being rearranged or may be made for an indefinite period.

Find out more information and how to apply [here](#).



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Timing of assistances

Date	Support
Immediately, with deductions to be included in 2019-20 tax returns	Increased instant asset write off
Immediately	Temporarily reduced minimum drawdown rates for superannuation
Immediately, with deductions to be included in 2019-20 tax returns	Backing business investment — accelerated depreciation
As soon as practicable	Support for Coronavirus-affected regions and communities
From 31 March 2020	First round of \$750 payments to support households
Applications from early-April	Assistance for existing apprentices and trainees
Applications from mid-April 2020	Temporary early release of superannuation
From 27 April 2020	Income support and a Coronavirus supplement
From 28 April 2020	First phase of Boosting Cash Flow for Employers
From 1 May 2020	Increased transfer payments from reduced deeming rates
From 13 July 2020	Second round of \$750 payments to support households
From 21 July 2020	Second phase of Boosting Cash Flow for Employers

Source: Treasury, [Overview-Economic Response to the Coronavirus](#)