

Some things to know about the current government financial support being offered.

There is a lot of information currently about what the government is providing to people to assist financially. I thought I would just highlight some important things.

New Temporary early release of super

- This is an additional 'TEMPORARY' condition of release in addition to release on Compassionate or Hardship grounds.
- This is a tax-free payment, regardless of your age with no Centrelink implications.
- You can withdraw up to \$10,000 before 1 July 2020 and again up to \$10,000 from 1 July 2020 to 24 September 2020. But you are only permitted one application in each period.

You are eligible to do this if you are:

1. Unemployed
2. on any of the following Centrelink payments:
 - Jobseeker Payment
 - Youth Allowance for Jobseekers
 - Parenting Payment
 - Special Benefit
 - Farm Household Allowance
3. Were made redundant (Does not need to be related to COVID-19)
4. Had your working hours reduced by 20% or more
5. Are a sole trader whose business was suspended or turnover has decreased by at least 20%

How do you access?

- Applications need to be made via the My Gov website. Do not go directly to your superannuation Fund, as they can not do this for you. You will need to register with My Gov if you don't have an account.
- The online ATO form will display all the superannuation accounts a fund has for you. If you have more than one fund, you can elect to take a portion from one fund and a portion from another.
- If the application is rejected you will be notified in 2-3 days, but there is currently no given time period for how long it will take to be granted these funds.

Comments:

Here are the things you need to be careful of.

- If you think you only need \$5,000 but you're not sure, I recommend you take the whole \$10,000 as if you change your mind you can not go back for multiple withdrawal's. You can however put the money back into your superannuation if you are under age 65.
- Even if you qualify for the early release of super, you may also be able to qualify for the hardship condition of release. This could potentially let you access another \$10,000.
- If you withdraw these funds, will this cancel your insurances?
- What funds should you withdraw the funds from?

Reduced minimum pension payments

- 50% reduction is available on you account based pensions from your superannuation funds.
- This is only available if you have not already taken 50% or more from your fund and is not compulsory. You can choose this option if you are concerned about eating in to your superannuation.

Assisting Businesses

There are two tax-free 'cash flow' boosts to employers paying salary/wages to employees

- Combined \$20,000 minimum to \$100,000 maximum
- No application is required as this will be an automatic credit in your activity statement based on withholding required.
- Other Federal and state based assistance available such as assets write off enhancement, loan guarantee etc.

JobKeeper Payment

- \$1,500 per fortnight subsidy per eligible employee to qualifying employers
- Qualification criteria linked to turnover and the reduction in turnover
- First payment to employer will be in the first week of May 2020
- The Program will run for 6 months from 30th March 2020
- Income will be assessable for social security purposes.

Economic stimulus payments

- Potentially there will be 2 lump sum payments of \$750 to eligible income support recipients and concession cardholders.
- Payment 1 due 31st March 2020 and second payment due 13th July 2020.
- A supplement \$550 per fortnight will be paid in addition to the standard income support payment per person if they are eligible.

Eligible payments are:

Jobseeker, Youth Allowance, Sickness Allowance, ABSTUDY, Austudy, Parenting Payment, Partner Allowance, Widow Allowance, Farm Household Allowance and Special Benefit.

- This is payable from 27th April 2020 for 6 months and is expanded to permanent and casual employees who have been stood down or who are working reduced hours or are self employed/sole traders that turnover has reduced or been suspended.

Reduction in Deeming Rates

- In addition to the 0.50% reduction announced on the 12th March 2020 a further 0.25% reduction has been announced. The new rates will become effective from 1 May 2020. The rates have gone from 1% to 0.25% and from 3% to 2.25%.
- This will see income tested clients on a part pension with financial investments receive an increased payment and may also result in new eligibility for some.

Please be aware that we have been working through our clients that are on Centrelink benefits to update their current superannuation balances on the Centrelink portal, but it's best to contact me if you feel you could be eligible for more benefits.

If you are unsure if you qualify for any of these government benefits, feel free to give me a call or send me an email so that I can help guide you along.

Stay safe and wash your hands!

Regards

Alison Greenwood.