

Stimulus Package Summary



Information is as at 2 April 2020 – This is based on current information available. The below information may change as the government measures changes to accommodate the ongoing COVID19 issues.

If you have any questions regarding this information, please do not hesitate to contact us on 0410 111 801 or liz@elsaccountants.com

Government Offering	Who is Eligible	How Does This Affect Cashflow
<p>Instant Asset Write Off</p> <ul style="list-style-type: none"> - Allows business to write off the full value of assets purchased in this financial year - Any asset up to \$150,000 purchased between 12 March 2020 and 30 June 2020 - 1 July 2020 the asset threshold will be \$1,000 	<p>Businesses with aggregated turn over threshold under \$500 million</p>	<p>Faster write offs on depreciable assets which will see tax savings in the 2020 Financial Year</p> <p><i>Example</i> - \$150,000 asset purchased by a company will result in \$41,250 in tax savings for 2020 Income Tax Return (\$150,000 x .275)</p> <p>Followed on tax affect may be cancellation or lower potential tax instalments for 12 months</p>
<p>Tax Concessions for Capital Investment</p> <ul style="list-style-type: none"> - Additional 50% depreciation for new assets purchased by a business - For purchases from 12 March 2020 to 30 June 2021 - No asset value limit - Assets above \$150,000 purchased 12 March to 30 June 2020 	<p>Businesses with aggregated turn over threshold under \$500 million</p>	<p>Faster write offs on depreciable assets which will see tax savings in either 2020 or 2021 tax returns</p> <p>If asset is part of pooling, then the first year write off will increase from 15% first year to 57.50%</p> <p>Followed on tax affect may be cancellation or lower potential tax instalments for 12 months</p>

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<p>BAS Cashflow Boost - March BAS</p> <ul style="list-style-type: none"> - Minimum of \$10,000 up to \$50,000 payment/credit entitlement for the March quarter - For monthly IAS lodgements the March BAS will include 300% of the March PAYG withholding to make up for the January and February IAS - This is tax free income and therefore will not affect the business tax results 	<p>Small and medium sized businesses who turnover under \$50 million and Not for Profit Organizations (the below 12 March eligibility will not apply to NFP)</p> <p>These businesses have employees on their books prior to 12 March 2020 and have derived income in the 2019 year by either lodgement of their 2019 tax returns or lodgement of BAS before 12 March 2020 showing GST taxable, GST-free or input taxed sales.</p> <p>These businesses do not need to include any PAYG withholding on their March BAS to be entitled to the minimum amount (\$10,000 for March, \$5,000 for June and \$5,000 in September)</p>	<p>Credit to reduce PAYG Withholding, Net BAS payable and remaining credit will be transferred to the business bank account by the ATO (if no additional debts are existing with the ATO)</p> <p><i>Example</i></p> <table border="1" data-bbox="1507 504 2101 951"> <tbody> <tr> <td></td> <td style="text-align: right;">\$</td> </tr> <tr> <td>March BAS</td> <td></td> </tr> <tr> <td>PAYG Withholding</td> <td style="text-align: right;">400</td> </tr> <tr> <td>Net GST Payable</td> <td style="text-align: right;">3,500</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">3,900</td> </tr> <tr> <td>Less:</td> <td></td> </tr> <tr> <td>Government Payment</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>Net Amount Payable/(Refundable)</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">- 6,100</td> </tr> <tr> <td>Amount to be direct deposited on/after 27 April 2020</td> <td style="text-align: right;">6,100</td> </tr> </tbody> </table>		\$	March BAS		PAYG Withholding	400	Net GST Payable	3,500		3,900	Less:		Government Payment	10,000	Net Amount Payable/(Refundable)	- 6,100	Amount to be direct deposited on/after 27 April 2020	6,100
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<p>BAS Cashflow Boost – June and September BAS</p> <ul style="list-style-type: none"> - Equal to a half of the initial payment (the March BAS) - This would result in a minimum of \$5,000 each quarter - Up to \$50,000 maximum cashflow boost 	<p>Same conditions as above March Cash Boost</p>	<p>Assist in PAYG withholding for the next 6 months</p> <p>Application of ATO credit will be as per the above example – however Government Payment will be less for June and September</p>																		

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<p>Apprentice and trainee wages</p> <ul style="list-style-type: none"> - Applies to 50% of wages paid to apprentices during 1 January to 30 September - There will be a cash refund to the employer up to \$7,000 per quarter (or \$21,000 for 3 quarters) 	<p>Businesses that employ fewer than 20 full time employees who retain an apprentice or trainee as at 1 March 2020</p>	<p>Starting this week apprenticeship bodies are starting application forms and refunding backdated wages from 1 January 2020</p> <p>Direct deposit into the business bank account</p> <p>If you have not received any information regarding this government offering, please contact your training/apprenticeship provider ASAP</p>
<p>ATO Administration Relief</p> <ul style="list-style-type: none"> - Relief of 6 months of payments for BAS, FBT and Income Tax Debts held with the ATO - Allowing tax instalment to be reported as nil for March 2020 quarter - We can claim a refund for instalments for Sept and Dec 19 quarter - No interest or penalties for varying instalments to nil - The ATO will be remitting interest if charged after 23 January 2020 onwards 	<p>Any entity or individual with tax, BAS or FBT debts with the ATO</p>	<p>ATO debts are on hold – not forgiven. However, this does provide repayment relief for the short term</p> <p>Refund of previously tax instalments paid will be used to offset current debt, however if there is no debt this credit will be a direct deposit to the nominated bank account held with the ATO</p> <p>Again this is a short term solution to free up cashflow for operating expenses – tax debts, FBT and GST will be payable in the future</p>

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<p>QLD Payroll Tax (Taxable Wages below \$6.5 Million)</p> <ul style="list-style-type: none"> - Businesses are given 3 options for Coronavirus payroll tax relief 1. will have a deferral of payroll tax liability for the next 6 months – new deferral payment date will be 14 January 2021 2. Refund of payroll tax for 2 months (Nov and Dec 2019) 3. Payroll tax holiday for 3 months (Jan to March 2020) 	<p>All Queensland businesses who pay payroll tax and pay under \$6.5 million in Australian taxable wages</p> <p>Options 2 and 3 will not require repayment of payroll tax</p> <p>You can also apply for a deferral of payroll tax as well as applying options 2 or 3</p>	<p>A refund or holiday from payroll tax will allow the business to utilise saved funds for payroll tax to pay operating expenses and wages</p> <p>As well as an opportunity to save for previous payroll tax periods after Coronavirus and as the economy returns to normal</p> <p>To apply for a payroll tax relief https://qldtreasury.syd1.qualtrics.com/jfe/form/SV_0H5S0mZGFLwsY61</p>
<p>QLD Payroll Tax (Taxable Wages above \$6.5 Million)</p> <ul style="list-style-type: none"> - Businesses are given 2 options for Coronavirus payroll tax relief 1. will have a deferral of payroll tax liability for the next 6 months – new deferral payment date will be 14 January 2021 2. Refund of payroll tax for 2 months (Jan and Feb 2020) 	<p>All Queensland businesses who pay payroll tax and pay above \$6.5 million in Australian taxable wages</p> <p>Option 2 will not require repayment of payroll tax</p> <p>You can also apply for a deferral of payroll tax as well as applying options 2</p>	<p>A refund or holiday from payroll tax will allow the business to utilise saved funds for payroll tax to pay operating expenses and wages</p> <p>As well as an opportunity to save for previous payroll tax periods after Coronavirus and as the economy returns to normal</p> <p>To apply for a payroll tax relief https://qldtreasury.syd1.qualtrics.com/jfe/form/SV_0H5S0mZGFLwsY61</p>

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<p>JobSeeker Allowance</p> <ul style="list-style-type: none"> - Centrelink payment for individuals how have either lost their job or dramatically reduced income for casual workers and sole traders - This payment can vary from \$510.80 to \$790.10 per fortnight depending on your circumstances 	<p>Individual eligibility has increased due to Coronavirus. Criteria for JobSeeker, youth allowance and parenting payment as also recently been modified</p> <p>This Supplement is available for Sole traders, contract workers and causal employees who have lost their income</p> <p>You must be between 22 and Age Pension age, your income is under the test limits and you meet Australian residence rules.</p> <p>If you have a working partner, for you to be eligible they must be earning less than \$3,086.80 per fortnight (or \$80,256.80 per year)</p>	<p>If you are not receiving these payments, please log into your MyGov and click on the Corona Supplement link – this will ensure that Centrelink will contact you to setup additional payments and Centrelink profile</p> <p>To see a detailed listing on varying amounts payable and circumstances please visit - https://www.servicesaustralia.gov.au/individuals/services/centrelink/jobseeker-payment</p> <p><i>This page was recently updated for changes due to Coronavirus</i></p>
<p>Individuals and Families – Corona Supplement</p> <ul style="list-style-type: none"> - Six months ‘Corona supplement’ of \$550 per fortnight for anyone on JobSeeker, Youth allowance or Parenting Payments - This payment is in addition to anyone on the above payments 	<p>If you receive JobSeeker, Youth allowance or Parenting Payments you will also be eligible for the Corona Supplement payment</p>	<p>\$550 per fortnight for up to 6 months</p> <p>Apply straight away – as Centrelink may take some time to get back to you. Payments will be back dated to the date you became unemployed/loss of income due to the Coronavirus.</p> <p>Payment of the Coronavirus Supplement will start on 27 April 2020</p>

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<p>Tax free payment of \$750</p> <ul style="list-style-type: none"> - 2 separate one-off payments - Automatically provided around 30 March 2020 and the second payment in July 2020 	<p>To anyone receiving government payments as at 12 March 2020 (including Family Tax Benefits or a pension being aged, carers etc) or holder of concession cards</p> <p>Only eligible to the above-mentioned people who are not already receiving the Corona Supplement</p>	<p>\$750 one off payment to be a direct deposit from Centrelink from 30 March to 17 April</p> <p>\$750 one off payment will be a direct deposit from Centrelink from 13 July onwards</p>
<p>Early Access of Superannuation</p> <ul style="list-style-type: none"> - New compassionate ground of release to allow individuals to access super - Not taxable income - This amount withdrawn will not affect entitlements to Centrelink payments 	<p>Individuals who are unemployed and are also eligible to receive JobSeeker payment, youth allowance, parent payments, special benefit or farm household allowance</p> <p>Or if at 1 January 2020 the individual is made redundant, working hours reduced by at least 20% or sole trader whose income has dropped more than 20%</p>	<p>Withdrawal from your super balance of up to \$10,000 before 1 July 2020 and then a further lump sum up to \$10,000 after 1 July 2020</p> <p>This process will be via your MyGov account and ATO linked services</p>
<p>Minimum Drawn Downs on Pensions</p> <ul style="list-style-type: none"> - 50% reduction on the minimum pension amount that must be withdrawn each year from your superannuation fund 	<p>Pensioners who are receiving pension from a superannuation fund</p>	<p>Allows pensioners to keep more funds in superannuation if their income can be supplemented with the CoronaVirus Supplement or the \$750 government payments</p>

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<p>JobKeeper Allowance</p> <p><i>Note that this Allowance has not yet been passed in Parliament and is subject to change</i></p> <ul style="list-style-type: none"> - This is a wage subsidy - Allow employers to rehire their employees who have been stood down after 1 March 2020 - Via the ATO not Centrelink - If employee has multi employers, they must choose only 1 employer to claim subsidy <p>Register for scheme at www.ato.gov.au/general/gen/jobkeeper-payment/</p>	<p>business who have a turnover is under \$1 billion and see a 30% decrease of income for at least 1 month compared to the prior year</p> <p>If prior year is not a comparable year (change in business) or if the business is relatively new the ATO may ask for further tests or information – what this is yet to be seen</p> <p>Eligible employees who must be on the books as at 1 March 2020 including Full time, Part time and casuals who have been employed for at least 12 months prior to 1 March 2020</p> <p>The employee must be Australian citizen, permanent resident, or have a temporary or permanent protection visa or possess a bridging visa</p> <p>This will also be eligible for sole traders who again see a decrease of 30% or more of their income</p> <p>If prior year is not a comparable year (change in business) or if the business is relatively new the ATO may ask for further tests or information – what this is yet to be seen</p>	<p>A payment of \$1,500 per employee per fortnight</p> <p>This will be backdated to 30 March 2020 for the first payment starting in the 1st week of May</p> <p>This will be assessed based on information provided for Single Touch Payroll (STP) and declarations of income for each month</p> <p>ATO will deposit this money via the nominated bank account currently held with the ATO</p>

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<p>Existing Bank Loans</p> <ul style="list-style-type: none"> - Banks have announced a stop payment for 3 to 6 months on mortgages, loans and leasing - However please note that interest may still accrue in this period - Banks/lending institutions may apply 'catch up payments' after the repayment freeze - You may also be extending the life of your loan by 3 to 6 months 	<p>Any individual or entity who currently has any outstanding debts</p>	<p>We advise that you discuss your options closely with your bank before applying repayment stops on any loans or leasing to ensure there is any hidden fees, charges or traps in the future</p> <p>Many of the banks have new online forms or systems in place so you do not need to wait on the phone – so we recommend visiting their websites before calling</p>
<p>Small Business Loans</p> <ul style="list-style-type: none"> - Borrow up to \$250,000 - These loans are via banks however they are backed by the Australian Government - Each bank will have different criteria to meet for funding - Lending terms can be 1 to 3 years - 6 months payment deferral with interest capitalised - No monthly fees or establishment costs 	<p>Each bank will have different eligibility criteria – we recommend you visit your current banking website as they will have easy to access guides and detailed information</p> <p>However please note that these loans may only be used to support current or upcoming operations and not used to fund the purchase of property or equipment</p>	<p>If your business is struggling for cashflow over this period, this is an option to allow the business to survive the hard times</p>

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<p>Qld Government Loans</p> <ul style="list-style-type: none"> - State government loans up to \$250,000 - No repayments or interest charged in the first year - 2 years interest only loan - 2.5% fixed interest rate - 10-year term of loan - Open until 25 September 2020 or until \$500 million loan scheme is reached <p>Application form http://www.qrida.qld.gov.au/current-programs/covid-19-business-support/queensland-covid19-jobs-support-scheme</p>	<p>Queensland businesses (and not for profit organisations) who require lending to assist in employee wages, rent, rates and other related operating expenditure</p> <p>Can be sole traders, partnerships, companies and trusts</p> <p>Maximum lending is conditional on 50% of employee and owner wages/drawings for the 2018 and 2019 income tax years</p> <p>This will require up to date accounts for the business and prior year financial statements</p>	<p>If successful, the Queensland Department will deposit the funds into your nominated business bank account</p>
<p>Qld Rental Assistance</p> <ul style="list-style-type: none"> - Rental assistance for Queensland residents who have lost their job and have applied for Centrelink Support and are currently waiting for Centrelink to approve your Allowances <p>Application form https://blarga.hpw.qld.gov.au/OnlineApplication/RentalGrant</p>	<p>Eligible Queensland residents who have (or will shortly have) a bond registered with the RTA</p> <p>You must be an Australian citizen, permanent resident, or have a temporary or permanent protection visa or possess a bridging visa</p> <p>You cannot have more than \$10,000 in cash and savings</p>	<p>\$2,000 (\$500 a week for 4 weeks) paid to you from the Queensland Government, paid as soon as possible</p> <p>Please note that you will need to supply evidence of attempts to negotiate a payment plan with your lessor</p>

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<p>Child-Care Fees</p> <ul style="list-style-type: none"> - Starting Monday 6th April families maybe eligible for free childcare - The government will pay 50% of reasonable fee cap for the next 6 months if child-care centres remain open and do not charge parents fees - Covers enrolments as at 2 March 2020 - Centres will re-enrol children who have been withdrawn so families can keep places if they need them after Coronavirus has passed - Waive fee gap for families who keep their children at home - 	<p>Any families who are currently sending their kids to Child Care will be able to do so for free</p>	<p>Families will save hundreds of dollars each week in child-care fees – we will see this affect starting Monday 6th April 2020</p> <p>This new system will be reviewed by the government in 1 month and extended depending on the Coronavirus</p>
<p>Commercial Rent Waiver and Deferrals</p> <ul style="list-style-type: none"> - As per government released Code of Conduct on 3rd April 2020 - Rental deferrals and waivers for commercial renters - This will apply for the same period as the JobKeeper allowance - Rental waiver will be at least 50% of the reduction in business turnover - Rental deferrals will be spread over 24 months or the term of the lease, which ever is greater 	<p>For tenants to be eligible</p> <ol style="list-style-type: none"> 1. Business turnover is under \$50 million 2. Business applies for JobKeeper allowance 	<p>Up to 50% of monthly rent will be waived for up to 6 months and the remaining 50% will be deferred and repaid over at least 24 months</p> <p>Immediate cashflow effects – please talk to your Landlords ASAP to implement this Code of Conduct</p> <p>More detail please see our <i>Commercial Rent Waivers and Deferrals</i> blog at www.elsaccountants.com</p>

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