

COVID-19 Financial Support



Please note that information below is dated 20 April, 2020. At this stage the government had announced its intention to pass additional legislation to introduce this new measure. Government policy, at both state and federal level, is changing on a daily basis given the fast moving nature of the wide and varied impacts of the COVID-19 pandemic. All information below is therefore subject to change and should be discussed and acted upon under the advice of a financial expert and analysis may apply differently across various states of NSW and ACT.

Who	What stimulus measures apply to you?	What could my entitlements be?
 <p>EMPLOYEE</p>	<p>Are you a full-time, part-time or casual worker who has been employed by an Australian business for more than 12 months? New Zealand nationals are also eligible.</p> <p>Australian businesses who have lost 30% or more in revenue as a result of COVID-19 can pass the payment onto their employees. This is a way to keep employees on the books and off welfare payments.</p> <p>Register: https://www.ato.gov.au/general/gen/JobKeeper-payment/</p>	<p>Under the JobKeeper Payment, businesses impacted by the COVID-19 pandemic will be able to access a subsidy from the Government to continue paying employees who qualify.</p> <p>Affected employers will be able to claim a fortnightly payment of \$1,500 per eligible employee from 30 March 2020, for a maximum period of six months.</p>
 <p>EMPLOYEE * worked for less than 4 months</p>	<p>Low income earners who have either lost a job or may already receive unemployment benefits can now receive a \$750 bonus COVID-19 payment.</p>	<p>\$750 bonus payment to existing entitlements</p>
 <p>SELF EMPLOYED most independent contractors and sole traders, partnerships, Trusts and companies</p>	<p>Businesses without employees, such as the self-employed, can register their interest in applying for JobKeeper Payment via ato.gov.au from now if they estimate their turnover has or will fall by 30 per cent or more.</p> <p>Businesses with employees need to provide an ABN for their business, nominate an individual to receive the payment and provide that individual's Tax File Number and provide a declaration as to recent business activity.</p> <p>People who are self-employed will need to provide a monthly update to the ATO to declare their continued eligibility for the payments. Payment will be made monthly to the individual's bank account.</p> <p>Note there are also special rules in relation to the entitlement to JobKeeper Payment for the self-employed who operate their business via a trust or company and who are remunerated by trust distributions, director fees or dividend – only one individual beneficiary, director or shareholder can be nominated.</p>	<p>Further details for the self-employed will be provided at www.ato.gov.au</p>

*Check with the ATO website

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 <p>EMPLOYER* *eligibility criteria relating to turnover exists</p>	<p>Register an intention to apply on the ATO website and assess expected or existing decline in turnover.</p> <ul style="list-style-type: none">• Provide information to the ATO on eligible employees. This includes information on the number of eligible employees engaged as at 1 March 2020 and those currently employed by the business (including those stood down or re-hired). <p>For most businesses, the ATO will use Single Touch Payroll data to pre-populate the employee details for the business.</p> <ul style="list-style-type: none">• Ensure that each eligible employee receives at least \$1,500 per fortnight (before tax). For employees that were already receiving this amount from the employer then their income will not change. For employees that have been receiving less than this amount, the employer will need to top up the payment to the employee up to \$1,500, before tax. And for those employees earning more than this amount, the employer is able to provide them with a top-up.• Notify all eligible employees that they are receiving the JobKeeper Payment.• Continue to provide information to the ATO on a monthly basis, including the number of eligible employees employed by the business. <p>SMALL BUSINESS GRANT: NSW</p> <ul style="list-style-type: none">• Small businesses across NSW that are considered 'highly impacted' will receive grants of up to \$10,000 under a new assistance scheme subject to certain eligibility criteria. The funding is available for unavoidable business costs such as utilities, overheads, legal costs and financial advice. <p>PAYROLL TAX RELIEF: NSW</p> <ul style="list-style-type: none">• 25% reduction in annual payroll tax liability for businesses, with total grouped Australian wages no higher than \$10 million for the current financial year when the annual reconciliation is lodged in July 2020• No payment of payroll tax required in March, April and May 2020 for businesses that lodge and pay monthly with a total Australian payroll no higher than \$10 million for the current financial year (the wage information for these months will still need to be provided in the annual reconciliation to receive the 25% reduction).• Tax-free threshold will increase from \$900,000 to \$1 million for the financial year from 1 July 2020 <p>PAYROLL TAX RELIEF: ACT</p> <ul style="list-style-type: none">• A one-off, 6 month payroll tax waiver from March to August 2020 for creative arts, entertainment and hospitality businesses (including cafes, pubs, hotels, clubs and restaurants)• Businesses with Australian wages of up to \$10 million can defer payment of their 2020-21 payroll tax (interest-free) until 1 July 2022 (payroll tax returns will need to be lodged as normal) <p>LONG SERVICE LEAVE: NSW</p> <p>The Long Service Leave Act has been amended to allow an employer to give a worker with a long service leave entitlement:</p> <ul style="list-style-type: none">• a period of long service leave that is less than one month if the worker agrees to the lesser period of leave;• less than one month's notice if the worker agrees to that lesser period of notice. <p>These amendments apply for the next six months, and may be extended for a further six months if necessary.</p>	<p>Under the JobKeeper Payment, businesses impacted by the COVID-19 pandemic will be able to access a subsidy from the Government to continue paying their employees.</p> <p>Affected employers will be able to claim a fortnightly payment of \$1,500 per eligible employee from 30 March 2020, for a maximum period of six months.</p> <p>Another factor to consider: The employer must have been in an employment relationship with eligible employees as at 1 March 2020, and confirm that each eligible employee is currently engaged in order to receive JobKeeper Payments.</p> <p>Grant of up to \$10,000 upon application</p>

*Check with the ATO website

Example adapted from ATO

https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet_Info_for_Employers_0.pdf

Employer with employees on different wages

Adam owns a dental business with two employees. The business is still operating at this stage but Adam expects that turnover will decline by more than 30 per cent in the coming months.

The employees are:

- Anne, who is a permanent full-time employee on a salary of \$3,000 per fortnight before tax and who continues working for the business; and
- Nick, who is a permanent part-time employee on a salary of \$1,000 per fortnight before tax and who continues working for the business. Adam is eligible to receive the JobKeeper Payment for each employee, which would have the following benefits for the business and its employees;
- The business continues to pay Anne her full-time salary of \$3,000 per fortnight before tax, and the business will receive \$1,500 per fortnight from the JobKeeper Payment to subsidise the cost of Anne's salary and will continue paying the superannuation guarantee on Anne's income.
- The business continues to pay Nick his \$1,000 per fortnight before tax salary and an additional \$500 per fortnight before tax, totalling \$1,500 per fortnight before tax. The business receives \$1,500 per fortnight before tax from the JobKeeper Payment which will subsidise the cost of Nick's salary. The business must continue to pay the superannuation guarantee on the \$1,000 per fortnight of wages that Nick is earning. The business has the option of choosing to pay superannuation on the additional \$500 (before tax) paid to Nick under the JobKeeper Payment.

Adam can register his initial interest in the scheme from 30 March 2020, followed subsequently by an application to ATO with details about his eligible employees. In addition, Adam is required to advise his employees that he has nominated them as eligible employees to receive the payment. Adam will provide information to the ATO on a monthly basis and receive the payment monthly in arrears.

Employer with employees who have been stood down without pay

Zahrah runs a practice in Sydney. Ordinarily, she employs three permanent part-timers. She has been forced to stand down her employees without pay. Zahrah's turnover will decline by more than 30 per cent, so she is eligible to apply for the JobKeeper Payment for each employee, and pass on \$1,500 per fortnight before tax to each of her three employees for up to six months. Zahrah will maintain the connection to her employees, and be in a position to quickly resume her operations. Zahrah is required to advise her employees that she has nominated them as eligible employees to receive the payment. It is up to Zahrah whether she wants to pay superannuation on the additional income paid because of the JobKeeper Payment. If Zahrah's employees have already started receiving income support payments like the JobSeeker Payment when they receive the JobKeeper Payment, they will need to advise Services Australia of their new income.

All information correct at time of printing and can be confirmed at www.ato.gov.au



Australian Dental Association NSW Branch
adansw.com.au

