



Financial Support Information

The Federal Government released a second stimulus support package to help with the effects of coronavirus on the economy. Some of the updates are:

For businesses

- PAYG Withholding credits for businesses with employees has increased to \$20,000 minimum – \$100,000 maximum.

The rebate is based upon 100% of PAYG Withholding for the period 1 January – 30 June 2020 to a maximum of \$50,000. If you are entitled to the maximum \$50,000 in PAYGW credits for the period 1 Jan 2020- 30 June 2020, you will receive an additional \$50,000 in credits over the period 1 July 2020-31 October 2020. This is for businesses with an annual turnover of less than \$50m.

- The threshold at which creditors can issue a statutory demand for payment of amounts outstanding will increase from \$2000 – \$20,000. This measure will be in place for 6 months. The period of time that the debtor has to respond will increase from 21 days to 6 months for a period of 6 months.
- Instant asset write off – increased from \$30,000 to \$150,000 from 12 March 2020 – 30 June 2020.
- Assets over \$150,000 eligible for 50% instant write off and the balance deductible at normal rates in the same year – this second measure is from 12 March 2020 – 30 June 2021.
- 50% subsidy for apprentice or trainees wage (up to \$21,000) for the period 1 January 2020 – 30 September 2020 for businesses with up to 20 full-time employees

Supporting the flow of credit

- The Government will provide a guarantee of 50% to SME lenders for new unsecured loans to be used for working capital. SME's with a turnover of up to \$50 million will be eligible to receive these loans. The Government will provide eligible lenders with a guarantee for loans with the following terms:
 - o Maximum total size of loans of \$250,000 per borrower.

- o The loans will be up to three years, with an initial six month repayment holiday.
- o The loans will be in the form of unsecured finance, meaning that borrowers will not have to provide an asset as security for the loan.

For individuals

- JobSeeker Payment, Youth Allowance Jobseeker, Parenting Payment, Farm Household Allowance and Special Benefit doubled from \$550 per fortnight to \$1100 per fortnight
- 2 x \$750 payments to social security, veteran and other income support recipients and eligible concession cardholders. The first payment will be made from 31 March 2020 and the second payment will be made from 13 July 2020.
- The Government is allowing eligible individuals who are affected by the Coronavirus to access up to \$10,000 of their superannuation in 2019-20 and a further \$10,000 in 2020-21. Eligible individuals will need to apply directly to the ATO for access to this payment. Individuals will not need to pay tax on amounts released and the money they withdraw will not affect Centrelink or Veterans' Affairs payments.
- The Government is temporarily reducing superannuation minimum drawdown requirements for account-based pensions and similar products by 50% for 2019-20 and 2020-21. This measure will benefit retirees holding these products by reducing the need to sell investment assets to fund minimum drawdown requirements.
- Reducing Social Security Deeming Rates

For more information – <https://treasury.gov.au/coronavirus>

Local Government Support

Various Local Governments across Australia have offered support to the business community in light of the ongoing crisis. To check what support may be available from your local Council, please check their website. A list of councils within Australia can be found [here](#).