



The Federal Government has announced a second stimulus package to provide an additional \$66 billion in COVID-19 economic support.

Cashflow assistance for employers

- The second stimulus package will build on the tax free cash payments announced in the first package, with both thresholds and payment amounts increasing.
- SME employers, including not-for-profit and charities with aggregated annual turnovers of under \$50 million will be eligible for tax-free payments of up to \$100,000 per employer. The payments will be delivered in two phases – the first phase will equal 100 per cent of the PAYG withheld on salary and wages for the period January – June 2020 up to a maximum of \$50,000, and will be paid following lodgement of the March and June quarter activity statements.
- To qualify for the second phase of payments, the entity must continue to be active. The second phase of payments will be made following lodgement of the June and September quarter BAS's and each second phase payment will be equal to half of the total first phase payments.
- Eligible businesses that pay salary and wages but are not required to withhold tax will receive a total minimum payment of \$20,000, up from \$2000 in the first package. The first payment of \$10,000 will be available from 28 April 2020 and, will be paid as a credit to the business upon lodgement of the March quarter activity statement, with a second payment of \$5,000 paid upon lodgement of the June quarter activity statement and a final payment of \$5,000 paid upon lodgement of the September quarter activity statement.
- Monthly activity statement lodgers will begin to receive their payments from 28 April 2020.

- The payments are tax free, there will be no new forms and payments will flow automatically through the ATO. The payments will only be available to active eligible employers established prior to 12 March 2020, with the exception of charities who will be eligible regardless of when they were registered.

Payments for households

- A further \$750 payment to social security and veteran income support recipients and eligible concession card holders, except for those who are receiving an income support payment that is eligible to receive the coronavirus supplement. This second payment will be made automatically from 13 July 2020 and is estimated to cost \$4b over the forward estimates period.

Expanded eligibility for Income Support and Coronavirus supplement

- There will be expanded access to income support payments for the self-employed, casual workers, contract workers and employees who are stood down or lose their employment.
- There will be reduced means testing and a reduction in waiting times.
- There will also be a new \$550 per fortnight Coronavirus supplement, commencing from 27 April 2020
- This will be paid to both existing and new recipients of the JobSeeker Payment, Youth Allowance jobseeker, Parenting Payment, Farm Household Allowance and Special Benefit.
- The Coronavirus supplement will be paid for the next 6 months. Eligible income support recipients will receive the full amount of the \$550 Coronavirus supplement on top of their payment each fortnight.

Early release of superannuation

- From April, individuals will be able to access their superannuation, capped at \$10,000 this financial year and a further \$10,000 next financial year. The withdrawals will be tax-free and will be made available to those eligible for the coronavirus supplement as well as sole traders who have seen their hours of work, or income fall, 20% or more as a result of the coronavirus.

Coronavirus SME Guarantee Scheme

- The Government will provide a guarantee of 50 percent to businesses with a turnover of up to \$50 million, for new unsecured loans to be used for working capital.
- The maximum total size of loans will be \$250,000 per borrower
- The loans will be for a term of up to three years with an initial six-month repayment holiday, and will be available for new loans made until 30 September 2020.

Temporary relief for financially distressed businesses

- There will be a temporary increase to the threshold at which a creditor can take action to initiate insolvency or bankruptcy from \$5,000 to \$20,000 and companies and individuals will have six months to respond instead of 21 days.
- There will also be relief for directors for personal liability when the company is trading while insolvent.

Superannuation minimum drawdown rates

- There will be a temporary reduction to superannuation minimum drawdown requirements for account based pensions and similar products by 50 per cent for 2019-20 and 2020-21.