

STIMULUS PACKAGE 2

CORONAVIRUS SUPPLEMENT

- Existing and new income support recipients will receive an additional Coronavirus supplement payment of \$550 per fortnight for 6 months on top of their usual payment. This will be automatically applied from 27 April 2020.
- Eligibility to income support payments will be also temporarily expanded and ordinary waiting period has been waived..

PAYMENTS TO SUPPORT HOUSEHOLDS

- An additional \$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 to around 5 million social security, veteran and other income support recipients and eligible concession card holders. Around half of those that benefit are pensioners.
- The first payment will be made from 31 March 2020 to people who will have been on one of the eligible payments any time between 12 March 2020 and 13 April 2020.

REDUCING SOCIAL SECURITY DEEMING RATES

- On top of the deeming rate changes made at the time of the first package, the Government is reducing the deeming rates by a further 0.25 percentage points to reflect the latest rate reductions by the RBA.
- As of 1 May 2020, the lower deeming rate will be 0.25 per cent and the upper deeming rate will be 2.25 per cent.
- The change will benefit around 900,000 income support recipients, including Age Pensioners.

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BOOSTING CASH FLOW FOR EMPLOYERS

- The Government is providing up to \$100,000 to eligible small and medium sized businesses, and not-for-profits (including charities) that employ people, with a minimum payment of \$20,000.
- Under the enhanced scheme from the first package, employers will receive a payment equal to 100 per cent of their salary and wages withheld (up from 50 per cent), with the maximum payment being increased from \$25,000 to \$50,000.
- In addition, the minimum payment is being increased from \$2,000 to \$10,000.
- The payment will be available from 28 April 2020. The payments are tax free, there will be no new forms and payments will flow automatically through the ATO.
- Small and medium business entities with employees and an annual turnover under \$50 million are eligible. NFPs entities, including charities, with annual turnover under \$50 million and that employ workers will now also be eligible.
- From 28 July 2020 eligible entities will receive an additional payment equal to the total of all of the Boosting Cash Flow for Employers payments received.

EARLY RELEASE OF SUPERANNUATION

- The Government will allow individuals in financial stress as a result of 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 be able to apply online through myGov for access of up to \$10,000 of their superannuation before 1 July 2020. They will also be able to access up to a further \$10,000 from 1 July 2020 for another three months.
- They will not need to pay tax on amounts released and the money they withdraw will not affect Centrelink or Veterans' Affairs payments.

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TEMPORARILY REDUCE SUPER MINIMUM DRAWDOWN RATES

The Government is temporarily reducing superannuation minimum drawdown requirements for account based pensions and similar products by 50 per cent for 2019-20 and 2020-21. This measure will benefit retirees by providing them with more flexibility as to how they manage their superannuation assets.

CORONAVIRUS SME GUARANTEE SCHEME

- The Government will establish the Coronavirus SME Guarantee Scheme which will support small and medium enterprises (SMEs) to get access to working capital to help them get them through the impact of the coronavirus.
- Under the Scheme, the Government will guarantee 50 per cent of new loans issued by eligible lenders to SMEs. The Government's support will enhance lenders' willingness and ability to provide credit to SMEs with the Scheme able to support \$40 billion of lending to SMEs.
- The Scheme will complement the announcement the Government has made to cut red-tape to allow SMEs to get access to credit faster. It also complements announcements made by Australian banks to support small businesses with their existing loans.
- This builds on the investment the Government is making to enable smaller lenders to continue supporting Australian consumers and small businesses, through providing the AOFM an investment capacity of \$15 billion to invest in wholesale funding markets used by small authorised deposit-taking institutions (ADI) and non-ADI lenders.
- It further supports the Reserve Bank of Australia's announcement of a \$90 billion term funding facility for ns ADIs, that will reduce the cost of lending, with particular incentives to lend to small and medium enterprises.

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PROVIDING TEMPORARY RELIEF FOR FINANCIALLY DISTRESSED BUSINESSES

- The Government is temporarily increasing the threshold at which creditors can issue a statutory demand on a company and the time companies have to respond to statutory demands they receive.
- The package also includes temporary relief for directors from any personal liability for trading while insolvent.
- The Corporations Act 2001 will be amended to provide temporary and targeted relief for companies to deal with unforeseen events that arise as a result of the Coronavirus.

You can register your intention to claim a Centrelink payment using myGov. You don't need to complete a full claim right now. Payments will be backdated to the date you registered. [MORE INFO](#)