

CTBS PARTNERS

Pty Ltd ABN 67 619 412 369

ACCOUNTING · TAXATION · BUSINESS SERVICES

Stimulus Packages

COVID-19

Boosting cash flow for employers

- <50m turnover – eligibility based on prior year turnover
- Active employers established before 12th March 2020

- Cash Payments of up to \$100,000 help pay wages or hire extra staff
- Minimum of \$20,000 for all employers, even if they are not required to withhold tax
- First payment will be as an automatic credit for March 2020 BAS from 28th April 2020
- An Additional Payment for the businesses that maintain their activities will be applied in June 2020 and September 2020 BAS's
- More information [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/In-detail/Boosting-cash-flow-for-employers/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/In-detail/Boosting-cash-flow-for-employers/)

Instant Asset Write Off

- <\$500m turnover
- Threshold increase from \$30k to \$150k

- Asset must be installed and ready for use by 30th June 2020
- Only applies until 30th June 2020
- More information <https://www.ato.gov.au/Business/Depreciation-and-capital-expenses-and-allowances/Simpler-depreciation-for-small-business/Instant-asset-write-off/>

50% Subsidy Apprentice Wages

- Wage subsidy of 50% of apprentice or trainee wages for up to 9 months from January to September 2020
- The apprentice or trainee must have been in training with a small business as at 1st March 2020
- Available to SME employing fewer than 20 full-time employees who retain an apprentice or trainee

- Maximum of \$21,000 per apprentice or trainee (\$7,000 per quarter)
- Registration starts 2nd April 2020
- Final claim can be lodged by 31st December 2020
- More information <https://www.australianapprenticeships.gov.au/node/3939>

ATO Tailored Support Measures

- Option to vary PAYG income instalment for March 2020 to Nil
- Option to claim a refund for PAYG income instalment for September and December 2019 quarters
- Ability to remit any interest and penalties incurred on or after 23rd January 2020
- Assisting businesses to pay ATO debts including low interest payment plans

- Quarterly reporters can opt in for monthly reporting to get access to GST refunds faster
- More information <https://www.ato.gov.au/media-centre/media-releases/support-measures-to-assist-those-affected-by-covid-19/>

JobKeeper Payment

- Claim \$1,500 per fortnight for each employee - including self-employed
- Must register an intention to apply on the ATO website
- Must have the turnover reduced by more than 30% relative to a comparable period a year ago (of at least a month) for businesses with turnover < \$1bi
- Business not subject to the Major Bank Levy

- Employment must have been active at 1 March 2020
- Employees must be full-time, part-time, or long-term casual employed for longer than 12 months as at 1 March 2020
- Employees must be at least 16 years of age, must meet residence requirements and must not be in receipt of a JobKeeper payment from another employer
- More information <https://www.ato.gov.au/general/jobkeeper-payment/>

Accelerated Depreciation

- <\$500m turnover
- Must not be using simplified depreciation rules
- 50% deduction of the cost of the asset

- Existing depreciation rules apply to the balance
- Asset must be installed and ready for use by 30th June 2021
- More information <https://www.ato.gov.au/Business/Depreciation-and-capital-expenses-and-allowances/Backing-business-investment---accelerated-depreciation/>

SME Guarantee Scheme

- <\$50m turnover
- 50% government guarantee on new loans for SME's up to \$250k
- Operates from 1st April 2020 to 30th September 2020
- 3 years term – Initial 6 months repayment holiday
- Unsecured Loans – no need to provide an asset to secure the loan

- More information <https://www.business.gov.au/Risk-management/Emergency-management/Coronavirus-information-and-support-for-business/Supporting-the-flow-of-credit>

Early Access to Super

- Access \$10k before 1st July 2020 and \$10k after 1st July 2020
- Apply via myGov from mid-April
- Must meet one of the following:
 - o Eligible to receive job seeker payment, youth allowance or youth allowance
 - o Unemployed
 - o On or after 1 January 2020 either:
 - Made redundant
 - Working hours reduced by at least 20%
 - Sole trader turnover reduced by at least 20%

- More information <https://www.ato.gov.au/Individuals/Super/In-detail/Withdrawing-and-using-your-super/COVID-19-early-release-of-super/>