



Stimulus Package - Individuals – Coronavirus Supplement

Individuals – Coronavirus Supplement (taxable Income)

The Coronavirus supplement is to be paid at a rate of \$550 per fortnight beginning 27 April 2020.

This supplement will be paid to both existing and new recipients of the eligible payment categories. These changes will apply for the next six months.

Eligibility

The income support payment categories eligible to receive the Coronavirus supplement are:

- Jobseeker Payment (and all payments progressively transitioning to JobSeeker Payment; those currently receiving Partner Allowance, Widow Allowance, Sickness Allowance and Wife Pension, old Newstart allowance)
- Youth Allowance Jobseeker
- Parenting Payment (Partnered and Single)
- Farm Household Allowance
- Special Benefit recipients

People already receiving these payments do not need to do anything. Payments will be automatically adjusted.

Expanded access

For the period of the Coronavirus supplement beginning 25 March 2020, there will be expanded access to the income support payments listed above.

Eligibility for JobSeeker Payment and Youth Allowance for jobseekers have been expanded to assist:

- sole traders and self-employed people. They will be able to meet mutual obligation requirements by continuing to operate their businesses.
- permanent employees who have been stood down or lost their job.
- people caring for someone infected or in isolation as a result of contact with Coronavirus.

The following eligibility criteria have also been temporarily waived, for certain payments:

- the assets test
- the Ordinary Waiting Period (already waived until 12 June 2020)
- the Liquid Assets Waiting Period
- the Seasonal Workers Preclusion Period
- the Newly Arrived Residents Waiting Period.

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Also from 25 March 2020, access to payments will become easier with a temporary removal of the requirement for an Employment Separation Certificate, proof of rental arrangements and verification of relationship status.

- Income testing will still apply to the person's other payments, consistent with current arrangements except for the Partner income test taper rate.

The Government has decided to reduce the JobSeeker Payment Partner Income Test taper rate from 60 cents to 25 cents from 27 April 2020. This will allow more couples to access payments where one of the couple loses their job and goes onto JobSeeker Payment, and the working partner is on a more modest income.

This change is temporary and will operate until the Coronavirus Supplement ceases to be payable. As a result of this change, the new partner income test cut-out for JobSeeker Payment will be \$3,068.80 per fortnight.

Where one partner is earning \$79,762.80 per annum, this, in combination with the JobSeeker Payment provided to the non-working partner (including the Coronavirus Supplement) will give a couple a combined income of \$94,088.80 per annum. In addition, a couple may be eligible for supplementary payments such as Commonwealth Rent Assistance and Family Tax Benefit part A or B on top of this amount.

New and existing JobSeeker Payment recipients whose payment rate is adjusted because of partner income will benefit from this proposal.

Income Limits for Jobseeker Payments are outlined below.

Family situation	Payment reduces to nil once your income reaches this amount per fortnight
Single with no children.	\$1,086.50
Single, 60 years of age or older and have been receiving payment for at least 9 months continuously.	\$1,175.17
Single, principal carer, with a dependent child.	\$1,673.25
Single principal carer of a dependent child, granted an exemption from mutual obligation requirements	\$2,124.75
Single, 60 years of age or older, and a principal carer with a dependent child. You must have been getting payment for at least 9 months continuously.	\$1,673.25
Single, with a dependent child but not the principal carer.	\$1,164.84
Partnered. (Working Partner allowed \$3068.80 per fortnight)	Non working partner \$550.00

People will not be permitted, and will need to declare that they are NOT, accessing employer entitlements (such as annual leave and/or sick leave) or Income Protection Insurance, at the same time as receiving Jobseeker Payment and Youth Allowance Jobseeker under these arrangements.

Accelerated claim process:

To ensure timely access to payments, new applicants are encouraged to claim through on-line and mobile channels (myGOV). If applicants do not have internet access, they can claim over the phone.

- From April 2020, Services Australia will allow new applicants to call to verify their identity to reduce the need to visit a Services Australia office.
- To claim online, people who do not already deal with Services Australia will need to set up their myGov account, call to verify their identity, and get a link to their Centrelink online account.
- Applicants for Jobseeker Payment and Youth Allowance Jobseeker will:
 - Make an initial declaration about their identity, residency status, income and that they have been made redundant, or had their hours reduced (including to zero) as a result of the economic downturn due to Coronavirus.
 - In the case of sole traders and the self-employed, applicants will make a declaration that their business has been suspended or had turnover reduced significantly.
- Applicants may also declare the amount of rent they pay in this declaration to qualify for Rent Assistance.
- Services Australia has effective measures in place to detect those seeking to defraud the social security system. Anyone fraudulently claiming a payment will need to pay the money back and may face imprisonment.

Flexible jobseeking arrangements

Those receiving Jobseeker Payment have an obligation to actively look for work skills, but the Government is making sure this can be done flexibly and safely.

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- Jobseekers who have caring responsibilities, or who need to self-isolate, are able to seek an exemption from their mutual obligation requirements without the need for medical evidence.
- Activities can be rescheduled if the job seeker is unable to attend as a result of the Coronavirus. Job plans will be adjusted to a default requirement of four job searches a month (or one a week) to reflect softening labour market conditions.

Mutual obligations can be tailored for each individual to suit not only their needs but also the needs of the community. In some circumstances, job seekers can undertake training or volunteer within their community to meet their mutual obligation requirements.

Sole traders that become eligible for the Jobseeker Payment will automatically meet their mutual obligation requirements during this period by continuing to develop and sustain their business.

Job seekers are encouraged to stay job ready, connected to their employment services provider and up to date on potential job opportunities in their local area.

These changes ensure that job seekers can reliably access income support, safely look for work, fill critical vacancies as they emerge, develop their skills and job preparedness, contribute to their community and help the economy to bounce back stronger.

Example 1

Leonie is in her mid-30s, with two dependent children aged 10 and 12 and works as a telephone consultant for a travel agency. The economic downturn due to Coronavirus has caused the travel agency where she works to close for a six month period, and resulted in Leonie's hours being reduced to zero.

Leonie will be eligible to apply for JobSeeker Payment and the Coronavirus supplement under the new streamlined process.

Leonie can apply on-line and make a declaration about her identity, residency status, income and that she has had her hours reduced to zero as a result of the economic downturn due to Coronavirus.

Leonie is eligible for Jobseeker Payment and will receive \$1,171.50 per fortnight, comprising:

- JobSeeker Payment single, with dependent child rate of \$612.00 per fortnight; plus
- Energy Supplement of \$9.50 per fortnight; plus
- Coronavirus supplement of \$550 per fortnight.

Leonie will also receive Family Tax Benefit Part A and Part B of \$483 a fortnight.

Having recently left employment, Leonie is already job ready. An employment service provider will look to match Leonie's skills with available opportunities (for example, in another call centre) so Leonie's skills can be used in another industry and Leonie can get another job quickly.

Example 2

Chris is a sole trader, running an architecture practice, specialising in home renovations. Chris' practice has been successful over the years, and he has been able to build up a reasonable amount of assets during his career, to a level that would ordinarily make him ineligible for an income support payment.

The economic downturn due to Coronavirus has adversely affected Chris' business, and his income has been reduced to zero.

Chris will be able to apply for the new JobSeeker / Coronavirus supplement and will not have his assets included as part of the eligibility assessment for the payment. He will also not be required to serve a Liquid Asset test Waiting Period, as that has been waived.

Chris is eligible for the Jobseeker payment and, as he is married, will receive

- JobSeeker Payment partnered rate of \$510.80 per fortnight; plus
- Energy Supplement of \$7.90 per fortnight; plus
- Coronavirus supplement of \$550 per fortnight

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This brings Chris' total fortnightly income support payment to \$1,068.70.

NOTE: If you receive the Jobkeeper payment from your employer then you are not eligible to receive the Coronavirus Supplement.

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