



FACT SHEET: BUSINESS - EMPLOYEES

In addition to concessions and incentives provided to employers to encourage them to maintain employment, there have been some measures targeted directly at employees and former employees.

JobSeeker Payments

The Government is providing support for individuals to assist them during the next six months, by temporarily expanding eligibility to income support payments and establishing a new, time-limited Coronavirus supplement to be paid at a rate of **\$550 per fortnight**.

This supplement will be paid to both existing and new recipients between the ages of 22 and Age Pension age, of the eligible payment categories. These changes will apply for the next six months.

Timing

The Coronavirus Supplement and expanded access for payments will commence from 27 April 2020.

Eligibility Payment categories

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

- Jobseeker Payment¹ (and all payments progressively transitioning to Jobseeker Payment; those currently receiving Partner Allowance, Widow Allowance, Sickness Allowance and Wife Pension)
- Youth Allowance Jobseeker.
- Parenting Payment (Partnered and Single).
- Farm Household Allowance.
- Special Benefit recipients.
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Anyone who is eligible for the Coronavirus supplement will receive the full rate of the supplement of \$550 per fortnight.

Expanded Access & Reduced Testing

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

- **Expanded access:** Jobseeker Payment and Youth Allowance Jobseeker criteria will provide payment access for permanent employees who are stood down or lose their employment; sole traders; the self-employed; casual workers; and contract workers who meet the income tests as a result of the economic downturn due to the Coronavirus. This could also include a person required to care for someone who is affected by the Coronavirus.
- **Reduced means testing:** Asset testing for Jobseeker Payment, Youth Allowance Jobseeker and Parenting Payment will be waived for the period of the Coronavirus supplement. Income testing will still apply to the person's other payments, consistent with current arrangements.
- **Reduced waiting times:** The one-week Ordinary Waiting Period has already been waived.

To further accelerate access to payments, the Liquid Asset test Waiting Period (LAWP) and the Seasonal Work Preclusion Period (SWPP) will also be waived for recipients eligible for the Coronavirus supplement.

People currently serving a LAWP will no longer need to serve that waiting period.





The Newly Arrived Residents Waiting Period (NARWP) will be temporarily waived for recipients eligible for the Coronavirus supplement. When the Coronavirus supplement ceases, those people that were serving a NARWP will continue to serve the remainder of their waiting period, though the time the person was receiving the Coronavirus supplement will count towards their NARWP. Residency requirements still apply.

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.

From 20 March 2020, Sickness Allowance was closed to new entrants and was replaced by the Jobseeker Payment. This does not mean that people who previously may have been eligible for Sickness Allowance are now unable to access income support. Jobseeker Payment better accommodates individual circumstances, including assisting people who are sick or bereaved.

Faster claim process

To ensure timely access to payments, new applicants are encouraged to claim through on-line and mobile channels. 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.

Streamlined application process

A number of simplified arrangements will be put in place to make it easier to claim, including removing the requirements for:

- Employment Separation Certificates, proof of rental arrangements and verification of relationship status;
- Job Seeker Classification Instrument assessment for those people who have recently left jobs, recognising they are job ready; and
- Job seekers to make an appointment with an employment service provider before they can be paid.

Flexible job-seeking arrangements

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





- 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.

Working from Home Deductions

The ATO has announced new working-from-home shortcuts, enabling business owners and employees working from home due to the coronavirus crisis, to utilise a simplified process for claiming income tax deductions.

The new arrangement will allow people to claim a rate of 80 cents per hour for all their running expenses, rather than needing to calculate costs for each specific expense, and will apply to the period between 1 March 2020 and 30 June 2020, with the ATO due to review the special arrangement for the next financial year as the COVID-19 situation progresses.

The Australian Taxation Office (ATO) also clarified that multiple people living in the same house can claim this new rate, while the requirement to have a dedicated work-from-home area has also been removed.

If taxpayers use this shortcut method, the three golden rules for deductions still apply, whereby taxpayers must have spent the money themselves and not have been reimbursed, the claim must be directly related to earning income, and there must be a record to substantiate the claim. This record could be in the form of timesheets, diary note or roster, which will show the hours they have worked from home as evidence of their claim.

According to the ATO, the simplified method will encompass all deductible running expenses, including electricity for heating, cooling and lighting; phone and internet expenses; and the decline in value of computers, printers, phones, furniture and furnishings.

The Tax Office stressed that claims for working-from-home expenses **prior to 1 March 2020 cannot be calculated using the shortcut method** and must use the pre-existing working-from-home approach and requirements.

If the shortcut method is used for claiming a deduction in the 2019-20 Income Tax Return, then Taxpayers are required to include the note **“COVID-hourly rate”** in the return.

Temporary Early Access to Superannuation

The Government is allowing individuals affected by the Coronavirus to access up to \$10,000 of their superannuation in 2019-20 and a further \$10,000 in 2020-21. Individuals will not need to pay tax on amounts released and the money they withdraw will not affect Centrelink or Veterans' Affairs payments. See our [Superannuation Fact Sheet](#) for details.





Residential Rental Concessions

State Governments have committed to enact concessions to support residential tenants through the crisis period. The Queensland Government recently announced several measures, including:

- A moratorium on evictions due to rental arrears for six months;
- Negotiations between tenant and landlord will be supported by mandatory conciliation
- Rent relief grants of up to \$2,000 for tenants at risk of homelessness

Next steps

Contact us on 5504 5700 or email info@cordner.com.au to discuss your circumstances and how we can assist you

