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JobKeeper Update - Now 3.0

If you currently receive JobKeeper Payments the current arrangements stand until the 27 September 2020.

The government has now extended JobKeeper from the 28 September 2020 to the 28 March 2021.

From the 28 September businesses seeking to claim Jobkeeper Payments will be required to re-assess their eligibility as per below.

There are two extension periods:

- **Extension Period 1** – there are seven new JobKeeper fortnights that commence on 28 September 2020 and end on 3 January 2021 and
- **Extension Period 2** – which covers the six new JobKeeper fortnights that commence on 4 January 2021 and end on 28 March 2021.

From 28 September 2020 JobKeeper is less generous and new Decline in Turnover Tests apply.

The new Decline in Turnover Test is based on the business **actual GST turnover** rather than its projected GST turnover.

Crucial amendments to JobKeeper 2.0 to 3.0 include:

- **Adjustments to employee eligibility** – from 3 August 2020 the relevant date of employment changes from 1 March 2020 to 1 July 2020.

- **Adjustments to the “Decline in Turnover Test”** – the applicable rate of decline in turnover to qualify for 3.0 is:
 - 50% for entities with an aggregated turnover of more than \$1 billion
 - 30% for entities with an aggregated turnover of \$1 billion or less or
 - 15% for ACNC registered charities

Eligibility Extension Period 1 (28 September 2020 to 3 January 2021)

- Businesses only need to demonstrate a significant decline in turnover in the September 2020 quarter.

Eligibility Extension Period 2 (4 January 2021 to 28 March 2021)

- Businesses only need to demonstrate a significant decline in turnover in the December 2020 quarter.

A dual payment rate system commences 28 September 2020. The full rate of payment decreases from \$1500 to \$1200 from 28 September 2020 and then to \$1000 per fortnight from 4 January 2021.

Where employees and business participants have worked fewer than 20 hours per week in the relevant period, the rate will be \$750 from 28 September 2020 and \$650 from 4 January 2021.

Cashflow Boost Payments

If your business received the first cashflow boost tranche, you will receive a further cashflow boost for the June to September quarters of the same amount. If you report quarterly, the cashflow boost will be paid in two equal payments for June and September.

If you report monthly, the cashflow boost is provided in four equal payments.

The cashflow boost is applied to reduce any liabilities in the same reporting period with any excess amount being paid as a cash refund from the ATO.

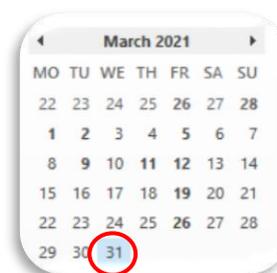
Support Business – Apprentices and Trainees

JobTrainer provides a 50% reimbursement to eligible employers for the cost of apprentice or trainee wages up to \$7,000 per quarter. Originally only for small businesses employing less than 20 employees, the subsidy recently expanded to include businesses with under 200 employees.

For small businesses (under 20 employees), the apprentice had to be employed on 1 March 2020 or on 1 July 2020 for claims after this date (claims are open now). For medium sized businesses (under 200 employees), the apprentice had to be employed on 1 July 2020 (claims open 1 October 2020). To access the subsidy, you will need to provide evidence of wages paid to the apprentice.

The subsidy is also accessible to larger employers employing apprentices let go by a small/medium business where that apprentice was eligible for the wage subsidy.

The subsidy is scheduled to end on 31 March 2021.



Queensland Support

Support	Description	Closes
Adaption grant	Funding of up to \$10,000 for regional micro and small businesses to adapt and sustain operations.	When allocation exhausted
Payroll tax relief	Payroll tax deferrals for the 2020 calendar year.	31 Dec. 2020

<https://www.business.qld.gov.au/starting-business/advice-support/grants/adaption>

<https://www.business.qld.gov.au/running-business/employing/payroll-tax/lodging/coronavirus-tax-relief>

Help for Individuals

Pandemic Leave Disaster Payment for Victoria

If you have to self-isolate or quarantine at home because of COVID-19 or are caring for someone who is, and cannot earn an income as a result, you might be eligible for a \$1,500 payment.

Tightening of access to income support

From 25 September 2020, the assets test and the Liquid Assets Waiting Period (applies to those with assets such as cash savings worth over \$5,500 for singles or \$11,000 for singles with children and partnered people) will be reintroduced for access to income support payments.

In addition, partner income testing will resume from 25 September 2020, albeit with higher thresholds than those pre COVID-19. That is, you will not be eligible for income

support if you are not earning an income but your partner earns \$3,086.11 per fortnight or \$80,238.89 per annum.

Job seeking requirements that were suspended from 24 March 2020 have been introduced from 9 June 2020. Some leniency has been provided for Victorians if you maintain contact with your employment service provider.

Coronavirus supplement

The Coronavirus supplement will continue, albeit on a reduced rate of \$250 per fortnight (from \$550), from 25 September until 31 December 2020 for eligible individuals.

27 April to 24 Sept. 2020	\$550 per fortnight
25 Sept. to 31 Dec. 2020	\$250 per fortnight

Early access to superannuation

Figures from the Australian Prudential Regulation Authority show that over \$30 billion has been taken from superannuation to date under hardship provisions. If you are an Australian citizen or permanent resident and New Zealand citizen, you can apply to release up to \$10,000 of your superannuation between 1 July 2020 and 31 December 2020 if you were made redundant, your working hours have been reduced by more than 20%, **and you have been adversely financially impacted by COVID-19.**

If you are not in financial hardship you should not access your superannuation. The application process through myGov is a self-assessment process that you are responsible for. Penalties of up to \$12,000 may apply for providing false or misleading information.

Some financial institutions are reporting that early access to superannuation will be a factor taken into account for those seeking to

apply for loans – lenders may interpret early access as meaning that you are unable to meet your commitments and or are insolvent, and this is likely to impact on your credit worthiness.

COVID-19 and your SMSF

Early release of superannuation

When a member of your fund wants to access up to \$10,000 of their superannuation early under the COVID-19 measures, there are some additional steps that trustees need to take. Trustees will need to ensure their deed allows for early release, the member has met the eligibility criteria for release, and ensure that no funds have been released until the release authority from the ATO has been received. This will be a 2019-20 audit area of focus.

Tenant Rent Relief

Setting rent for a tenant that is less than market value in an SMSF is usually a breach of superannuation laws. If the rental relief is provided to a related party, then the situation can become trickier as the difference between the rent charged and the market value can amount to a loan and potentially put the fund in breach of the in-house asset rules.

However, to manage COVID-19 rent reductions for SMSF landlords, the ATO has stated that for the 2019-20 and 2020-21 financial years it will not take action where the rental relief is provided on arms-length terms. That is, the relief is in line with the National Cabinet Mandatory Code of Conduct for commercial leasing principles, has a set timeframe to it, and the reason for the relief and the relief provided is documented.

Relief for related party loans

If your SMSF has a limited recourse borrowing arrangement in place with a related party, and that related party provides repayment relief, this would ordinarily be a breach of the superannuation rules.

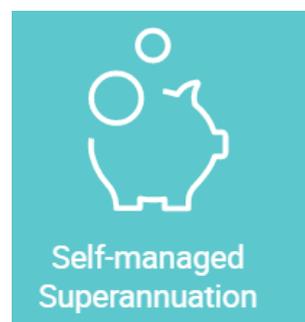
The ATO however will accept the relief if it is provided on reasonable terms similar to commercial banks (see the [Australian Banking Association's website](#) for comparison), the relief and the reasons for it is documented, and is for a set period of time.

A fall in asset values

If the assets of your SMSF have fallen in value, you should consider whether the current asset allocation is consistent with the fund's investment strategy, and if the long-term goals of the fund continue to be met.

If you need to sell assets and make a capital loss, such as a loss on residential real estate, this loss can be offset against any capital gains. If the capital loss exceeds any gains, this loss can be carried forward and applied against future capital gains.

No deductions are available for unrealised gains (a fall in value for assets the fund continues to own).



Minimum pension payments

For funds drawing a pension, minimum draw down rates for the 2019-20 and 2020-21 years has been halved.

Age	Default min. drawdown rates	2019-20 & 2020-21 reduced rates
Under 65	4%	2%
65-74	5%	2.5%
75-79	6%	3%
80-84	7%	3.5%
85-89	9%	4.5%
90-94	11%	5.5%
95 or more	14%	7%

If you have any questions in relation to the above or require assistance with this, please do not hesitate to contact the 4Front Team on 07 3245 9966.

Carmine and Drue