



Update on Government Stimulus measures to combat Coronavirus

8 April 2020

Since the release of the [Coronavirus stimulus package](#) there has been some clarification of several measures and a number of further announcements which seek to extend assistance to more people who have been impacted.

The following provides more details on these measures:

- **Coronavirus Supplement** – The Coronavirus Supplement \$550 fortnightly increase to certain income support payments during the time-limited six-month period is taxable. The original Treasury fact sheet released announced it was tax free.
- **Coronavirus compassionate grounds release of super** of up to \$10,000 before 1 July 2020 and a further \$10,000 from 1 July 2020 to 24 September 2020 can only be paid from restricted non-preserved and preserved components. Those with transition to retirement pensions must commute the amount to accumulation phase prior to requesting its release through the individuals [myGov account](#) from 20 April 2020. More information from the Australian Taxation Office (ATO) is available [here](#). Temporary residents, previously excluded from accessing superannuation under the Coronavirus compassionate grounds condition of release, will also be allowed access.
- **Account-based income stream values** - Centrelink will schedule an out-of-cycle sweep to update reduced values of account-based income streams, including transition to retirement pensions and term allocated pensions. Services Australia confirm they are ready to accept updated information from income stream providers until the end of April 2020. Most individuals will not need to update account-based income stream balances with Centrelink.
- **Self-managed super funds to receive rent relief** - Self-managed super funds (SMSFs) with property investments that are impacted by the Coronavirus, either with commercial properties or residential properties where tenants have significantly reduced business turnover or income may provide rent relief. The ATO advised it will not apply compliance resources in 2019/20 and 2020/21 where SMSFs reduce rental receipts for tenants who have been significantly impacted by the Coronavirus. This applies to both related and unrelated tenants of a business real property.

SMSF trustees approached for rent relief need to give genuine consideration to the request. This may include factors such as the tenants' previous reliability and the limited availability of alternative tenants. SMSF trustees must ensure they receive proof of how the Coronavirus has affected tenants' situations and retain documentation regarding rent relief arrangements. The ATO has provided [more information](#).

- **Temporary change to the JobSeeker Partner Income Test** - From 27 April 2020, until the Coronavirus Supplement ceases to be payable (six months at present, but this may be extended) the Partner Income Test cut-out for JobSeeker Payment will be \$3,068.80 per fortnight, if the partner does not receive any income support. The taper rate is reduced from 60c to 25c for partner income over \$994 per fortnight.

Current Partner Income Test cut-out	Temporary Partner Income Test cut-out from 27 April 2020 for six months
\$1,858.80 per fortnight	\$3,068.80 per fortnight

Personal income also counts towards the income test for JobSeeker Payment.

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

- **Deductions for expenses related to working from home** – The ATO has released guidance on deductions for expenses incurred directly relating to earning income when working from home which are not reimbursed by the employer. Individuals must keep proof of their working from home hours and these expenses. There are three ways a person can choose to calculate additional running expenses:
 - **Shortcut method** – A deduction of \$0.80 for each hour worked from home due to the Coronavirus is allowed if the person incurs additional deductible running expenses as a result of working from home.
 - **Fixed rate method** – allows:
 - a rate of \$0.52 per hour for the cost of utilities, cleaning and depreciation of office furniture
 - work-related phone and internet expenses, computer consumables, stationary
 - work-related depreciation of a computer, laptop or similar device.
 - **Actual cost method** – claim the actual work-related portion of all running expenses, calculated on a reasonable basis.

For more details, please refer to the ATO website: [Employees working from home](#).

The shortcut deduction method will make it easier for many Australians who are working from home for the first time due to the Coronavirus to accurately complete their tax return. These arrangements have been put in place for expenses incurred between 1 March 2020 until at least 30 June 2020.

- **Early Childhood Education & Care Relief Package announced** - This package means that eligible early childhood education and care services will be free for a three-month period. When this has elapsed, the package will be reviewed. Key points of the package and other recent changes to childcare include:
 - From 6 April 2020, weekly payments will be made directly to early childhood education and care services in lieu of the Child Care Subsidy and the Additional Child Care Subsidy.
 - An additional absence day reason will be created for cases where a child self-isolates on the advice of a health authority up to 6 April 2020. In addition, there will be an increase in allowable absence days from 42 to 62 days before full fees become applicable.

Those who are parents who have ceased enrolment of their child since 17 February 2020 may be able to contact the care facility and re-start enrolment for their child.

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