

Support for Individuals

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EXPANDED ACCESS, REDUCED MEANS TESTING, AND WAITING TIMES

From 25 March 2020, eligibility for the Jobseeker Payment, Parenting Payment and the Youth Allowance Jobseeker will be extended temporarily to include:

- Permanent employees who have been stood down or lost their jobs (and are not receiving payments from an employer or through insurance),
- **Sole traders, the self-employed, casuals or contractors** whose income has reduced to below \$1,075 a fortnight, and
- People who cannot work as they are caring for someone affected by coronavirus.

In addition to this, the normal asset test won't apply temporarily when determining entitlements to the Jobseeker Payment, Parenting Payment and Youth Allowance Jobseeker.

However, [income testing](#) still applies. That means, if your income has reduced to zero or very little, but your partner is still working then this could still impact on whether you are entitled to these payments as well as the amount of the payment you receive.

On 30 March, the Government announced a temporary relaxation of the partner income test for the JobSeeker Payment. Providing your partner earns "less than \$3,068 per fortnight, around \$79,762 per annum" you should be able to access the JobSeeker payment, and subsequent Coronavirus supplement. This has not been legislated as yet.

Waiting periods for access to social services support have been reduced or waived:

- The one-week ordinary waiting period is waived.
- The liquid asset test 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) is waived for those who are eligible for the Coronavirus supplement.

- The newly arrived resident's waiting period for new migrants (currently four years for these payments) is temporarily waived. Claimants will still need to meet residency requirements, that is they will need to hold a permanent visa. Affected claimants will need to serve the remainder of this waiting period at the end of the period the Coronavirus Supplement is paid for.
- The Seasonal Work Preclusion Period is waived for those who are eligible for the Coronavirus supplement — this applies to those who finished seasonal, contract or intermittent work in the six months prior to claiming income support.

The income maintenance period, affecting those receiving certain lump sums from their previous employer after losing their job, and those who have been stood down but are still receiving leave payments, can be waived in situations of financial hardship but is on a case by case basis.

The Minister for Families and Social Services has been given the power to amend legislation via a legislative instrument to enable changes to be made quickly.

HOW TO ACCESS SOCIAL SERVICES PAYMENTS

Depending on your household income, you might be eligible for some of the stimulus measures even if the social services payment you are applying for is almost nothing as the initiatives are not calculated on the amount you receive just whether you are eligible to receive it.

CRN number

If you have not personally received social services support previously, you will need a Customer Reference Number (CRN) number (apply through [myGov](#)). This is an identifying number that lets you create an online account and apply for payments.

To do this:

- Establish a [myGov account](#) (which will give you access to most Federal Government services) if you don't already have one and login
- Click "Register intention to claim"

Centrelink will contact you by phone or email.

The first date your claim starts is the date you click 'register intention to claim'.

You will need to verify your identity and in order to access social service payments you need to make a declaration that you have been made redundant, stood down etc, as well as showing your current income. For sole traders and contractors, you will need to make a similar declaration stating that the business has been suspended or income has reduced significantly and prove the reduction in income.

\$550 CORONAVIRUS SUPPLEMENT

Eligibility

For six months from 27 April, a \$550 per fortnight supplement will be paid to those on the following allowances:

- Jobseeker payment
- Youth Allowance (job seekers and students)
- Austudy for students and ABSTUDY (Living Allowance)
- Parenting Payment
- Special Benefits, and
- Farm Household Allowance

For those eligible for the coronavirus supplement, the waiting periods for the liquid asset test, newly arrived residents, and seasonal work preclusion period have also been waived.

How is the support calculated?

The \$550 payment does not depend on how any social services payment you receive is calculated or the value of any benefits you receive (you might be eligible for just \$1 or in some cases \$0). The payment is not subject to income or asset testing. It is a payment in addition to any benefits you are currently receiving now.

The payment is taxed.

How is the support provided?

If you are eligible, the coronavirus supplement is automatic. From 27 April, all existing and new eligible individuals will receive the \$550 fortnightly payment while they are receiving benefits.

Example

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 asset base.

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.

His assets are not included as part of the eligibility assessment and he is not required to serve a Liquid Asset Test Waiting Period.

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

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

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

However, if Chris's wife is working, he will need to ensure that her income is under the income threshold (less than \$3,068 per fortnight) or this will impact on Chris' ability to access these payments or the amount that is received.

Adapted from Treasury: Income support for individuals

TAX-FREE \$750 PAYMENTS TO SOCIAL WELFARE RECIPIENTS

Two \$750 per person income support payments will be made to many social welfare recipients. Eligibility for the second payment is different to the first and does not apply to those who receive the Coronavirus supplement.

Eligibility

The first income support payment, made in March/April, applies to those living in Australia and receiving the following social security payments between 12 March 2020 and 13 April 2020.

- Age Pension
- Disability Support Pension
- Carer Payment
- Parenting Payment
- Wife Pension
- Widow B Pension
- ABSTUDY (Living Allowance)
- Austudy
- Bereavement Allowance
- Newstart Allowance
- JobSeeker Payment
- Youth Allowance
- Partner Allowance
- Sickness Allowance
- Special Benefit
- Widow Allowance
- Family Tax Benefit, including Double Orphan Pension
- Carer Allowance
- Pensioner Concession Card (PCC) holders
- Commonwealth Seniors Health Card holders
- Veteran Service Pension; Veteran Income Support Supplement; Veteran Compensation payments, including lump sum payments; War Widow(er) Pension; and Veteran Payment.
- DVA PCC holders; DVA Education Scheme recipients; Disability Pensioners at the temporary special rate; DVA Income support pensioners at \$0 rate.
- Veteran Gold Card holders
- Farm Household Allowance

The second income support payment, made in July, has the same eligibility criteria as the first payment, but excludes those who receive the coronavirus supplement. These are people on the following:

- Jobseeker
- Youth Allowance (job seekers and students)
- Austudy for students and ABSTUDY (Living Allowance)
- Parenting Payment
- Special Benefits, and
- Farm Household Allowance

How is the support calculated?

No calculations. The \$750 payment does not depend on how any benefit you receive is calculated.

The payment will be tax-free and will not count as income for Social Security, Farm Household Allowance and Veteran payments.

How is the support provided?

Those eligible for the payment will receive it automatically. The first payment will be made automatically from 31 March 2020. The second payment will be paid automatically from 13 July 2020.

REDUCTION IN DEEMING RATES

Date	1 May 2020
Applies to	Account-based and similar pensions

Deeming rates are the amount the Government determines you are making from your financial assets. The deeming rate applies regardless of what you actually make.

The deeming rate is used for income testing for service pensions, veteran payments, income support supplements, age pension and Commonwealth Seniors Health Card.

How is the support calculated?

There are two deeming interest rates; a higher deeming rate and a lower deeming rate. The lower deeming rate applies up to the deeming threshold (\$51,800 for singles and \$86,200 for couples).

Everything above this threshold is deemed to earn the higher deeming rate. The deeming thresholds are different for singles and couples.

As of 1 May 2020, the upper deeming rate will be 2.25% (from 3%) and the lower deeming rate 0.25% (from 1%).

How is the support calculated?

The deeming rate changes are automatic.

Example

Leslie and Brian are an age pensioner couple. They have \$550,000 worth of financial assets. They hold \$300,000 in a superannuation account with a conservative investment strategy which returned around 5% last year. They have invested \$130,000 in a term deposit with an annual return of 1.5% and hold the remainder in a cash transaction account earning a negligible rate of interest.

Continued over...

Deeming calculations	To 30 April 2020	1 May 2020 onwards
Total Financial Assets	\$550,000	\$500,000
First \$86,200 at lower deeming rate	\$862 (1%)	\$215.50 (0.25%)
Remaining balance	\$463,800	\$463,800
Total at upper deeming rate	\$13,914 (3%)	\$10,435.50 (2.25%)
Add upper and lower deeming rates	\$14,776	\$10,651
Divide by 26 to convert annual income to fortnightly income	\$568.31	\$409.65
Fortnightly deemed income	\$568.31	\$409.65

Under the former deeming rates, Leslie and Brian's Age Pension would have been reduced by \$65 each per fortnight. Under the new deeming rates, Leslie and Brian's Age Pension will now be reduced by around \$32 each per fortnight.

Adapted from Treasury: Providing support for retirees, Veteran's Affairs: Deeming and financial assets

We will continue to update this document and links as announcements are made. Please see our [website](#).

Please **contact us** to discuss how these initiatives can support you and your business.

Disclaimer

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