

## **WHAT TO DO WHEN WORK SUDDENLY STOPS?**

What am I going to do? What are my options?

These are just some of the many questions we are having asked. We understand that you may be feeling overwhelmed or confused about what is available to you, therefore we would like to provide some clarity to our clients and our network on the particular announcements made on the 22nd March 2020 surrounding:

- 1. Expanded access to Social Security entitlements and,**
- 2. Early access to superannuation.**

### **1. Expanded Access to Social Security Entitlements**

For the six month Coronavirus supplement period commencing on 27 April 2020, there will be expanded access to the income support payments listed above.

#### **What does this mean?**

This means Jobseeker Payment and Youth Allowance Jobseeker will be accessible to:

- Permanent employees stood down or lost employment as well as sole traders,
- The self-employed,
- Casual workers, and
- Contract workers who meet income tests as a result of the economic downturn due to Coronavirus. This could also include a person required to care for someone who is affected by the Coronavirus.

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.

Some other important notes:

#### **The means testing on:**

- o The Asset testing for Jobseeker Payment, Youth Allowance Jobseeker and Parenting Payment will be waived for the period of the Coronavirus supplement.
- o Income testing will still apply to the person's other payments, consistent with current arrangements.

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## Reduced waiting times to receive benefits

- o Ordinary waiting period waived. Usually there is a one week ordinary waiting period will be waived for people applying for Parenting Payment, Jobseeker Payment or Youth Allowance between 12 March 2020 and 11 June 2020.
- o Liquid Asset test Waiting Period and Seasonal Work Preclusion Period waived. These waiting periods will be waived for recipients eligible for the Coronavirus supplement.
- o Newly Arrived Residents Waiting Period (NARWP) waived. This waiting period will be temporarily waived for recipients eligible for 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.

## How much can I receive?

Due to the temporary waiver of the asset means testing for the Jobseeker Payments, the newly revised Government entitlements may allow more people to qualify during the COVID-19 pandemic. In order to provide further clarity, we have provided a table below with a guide of different scenarios to help understand what you could be entitled to (please see tables below for further information):

Allowance Rates (JobSeeker Payment, Widow Allowance, Partner Allowance, Sickness Allowance, Special Benefit)					
Family Situation	Maximum Rate as of 20 March 2020	Energy Supplement	CORVID-19 Supplement (for up to 6 months commencing from 27th April 2020)	One-Off Payment of \$750	Total Potential Fortnightly payment
Single, 22 or over, no children	\$565.70	\$8.80	\$550.00	n/a	\$1,124.50
Single, 22 or over, with children	\$612.00	\$9.50	\$550.00	n/a	\$1,171.50
Single, 60 or over, after 9 months	\$612.00	\$9.50	\$550.00	n/a	\$1,171.50
Partnered (each)	\$510.80	\$7.50	\$550.00	n/a	\$1,068.30
Single, principal carer of child, exempt from activity test*	\$790.10	\$12.00	\$550.00	n/a	\$1,352.10

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Parenting Payment Rates ( <u>Under Age Pension age</u> )		
<b>Single Parent</b>	Base Pension	\$765.90
	Supplement	\$24.20
	Energy Supplement	\$12.00
	<b>Total per fortnight</b>	<b>\$802.10</b>
<b>Second Stimulus Package Potential entitlements</b>	CORVID-19 Supplement (for up to 6 months commencing from 27th April 2020)	\$550.00
	<b>Total per fortnight</b>	<b>\$1,352.10</b>
<b>Partnered Parents</b>	Base Pension	\$510.80
	Energy Supplement	\$7.90
	<b>Total per fortnight</b>	<b>\$518.70</b>
<b>Second Stimulus Package Potential entitlements</b>	CORVID-19 Supplement (for up to 6 months commencing from 27th April 2020)	\$550.00
	<b>Total per fortnight</b>	<b>\$1,068.70</b>

## 2. Early access to a payment of \$10,000 from your superannuation benefits (provided you meet the criteria).

From mid-April 2020, eligible individuals will be able to access up to \$10,000 of their superannuation before 1 July 2020. They will also be able to access up to a further \$10,000 from 1 July 2020 for approximately three months (exact timing will depend on the passage of the relevant legislation). You may only apply once to receive a payment in one income year (i.e. if you apply for \$6,000 in May 2020, you would not be allowed to apply for a further \$4,000 prior to 1 July 2020).

In order to be eligible for early release a member must satisfy any one or more of the following requirements:

- o They are unemployed, or
- o They are eligible to receive

a Jobseeker Payment, Youth Allowance for jobseekers, Parenting Payment (which includes the single and partnered payments), Special Benefit or Farm Household Allowance, or

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- o On or after 1 January 2020:
  - § they were made redundant, or
  - § Their working hours were reduced by 20 per cent or more, or
  - § If they are a sole trader — their business was suspended or there was a reduction in their turnover of 20 per cent or more. (Please Note - It is not exactly clear how working hours or turnover will be determined at the time of writing, however the example in the relevant Government factsheet indicates that if a person's hours or turnover in a month reduce by more than 20% compared to their average hours or turnover over the last six months of 2019, they will be eligible).

Please contact us if you would like to know if you meet the eligibility criteria to qualify for this short term measure to help reduce some of the financial stress you or your family may be experiencing. It is also important to speak to a professional in order to work out if this is the best option for you at this time or whether you have alternative options in addition to some of the measures and payments announced.

We are here to help assist you during this time and if you have any questions regarding what options are available to you (not just limited to superannuation, debt, taxation – especially if you have been made redundant, investments, Centrelink or Government entitlements) please we urge you pick up the phone and call 08 9240 4211 or write an email ([louise@fortunaadvisors.com.au](mailto:louise@fortunaadvisors.com.au)) so we can assist you any way we can