



# GLR Accountants

## Tax & Business Specialists

'Efkon House'  
20-24 Trenerry Street  
Weston ACT 2611

Phone - (02) 6287 2655



Email – [admin@glraccountants.com.au](mailto:admin@glraccountants.com.au)

Facebook- <https://www.facebook.com/GLR-Accountants-109910287348944/>

### Autumn 2020

## LODGING TAX RETURNS

Please bring in your information **ASAP** if you have not lodged your 2019 and prior tax returns.  
**DUE 15 MAY 2020**

## CORONAVIRUS Special Update

### Coronavirus Support

A new six-month 'Coronavirus supplement' of **\$550 per fortnight** will be paid to individuals who are currently eligible for certain income support payments, including the:

- **Jobseeker Payment;**
- Youth Allowance; and
- Parenting Payment (Partnered and Single).

**Furthermore**, the new (additional) supplement will be paid to eligible individuals as part of their existing income support payments (e.g., Jobseeker Payment and Youth Allowance). Asset testing for the Jobseeker Payment, will be waived for the period of the Coronavirus supplement. Family Income testing will still apply to payments (now \$80,200 pa).

<https://www.servicessaustralia.gov.au/individuals/subjects/affected-coronavirus-covid-19/if-you-need-payment-coronavirus-covid-19>

A new **Jobkeeper** Payment will be available to assist eligible employers (and self-employed individuals) who have been impacted by the Coronavirus pandemic to continue to pay their workers.

Eligible employers will be able to claim a subsidy of **\$1,500 per fortnight**, per eligible employee, from 30 March 2020 (with payments commencing from the first week of May 2020), for a maximum period of six months. See links for details

[https://treasury.gov.au/sites/default/files/2020-04/JobKeeper\\_frequently\\_asked\\_questions\\_0.pdf](https://treasury.gov.au/sites/default/files/2020-04/JobKeeper_frequently_asked_questions_0.pdf)

<https://www.ato.gov.au/General/JobKeeper-Payment/>

### Tax-free payments of \$750 to eligible recipients

The Government will be providing two separate \$750 tax-free payments (referred to as 'economic support payments') to social security, veteran and other income support recipients and to eligible concession card holders.

The **first \$750 payment** will be available to individuals who are residing in Australia and are receiving eligible Government payment, or are the holders of an eligible concession card, at any time from 12 March 2020 to 13 April 2020 (inclusive). This payment will be made automatically to eligible individuals from 31 March 2020.

The **second \$750 payment** will be available to individuals who are residing in Australia and are receiving one of the eligible Government payments or are the holders of one of the eligible concession cards on 10 July 2020 (except for those receiving an income support payment that qualifies them to receive the \$550 fortnightly Coronavirus supplement). This payment will be made automatically to eligible individuals from **13 July 2020** with a registered bank account.

Each of the \$750 payments will be **exempt from income tax**.

<https://www.servicessaustralia.gov.au/individuals/news/750-one-economic-support-payment>

## Cash flow assistance for Businesses

The Government is also providing cash flow assistance for eligible businesses in the form of two separate measures.

### Boosting cash flow for employers

Small and medium-sized businesses and not-for-profit entities (based on their prior year's turnover) that employ people, may be eligible to receive a total payment (in the form of a refundable credit) of **up to \$100,000** (with a **minimum** total payment of **\$20,000**), based on their PAYG withholding obligations in two stages:

#### Stage 1 payment (credit)

Commencing with the lodgment of March activity statements, Eligible employers that withhold PAYG tax on their employees' salary and wages will receive a tax-free payment equal to 100% of the amount withheld, up to a maximum of \$50,000, payable after 28 April 2020.

Eligible employers that pay salary and wages will receive a minimum (tax-free) payment of \$10,000, even if they are not required to withhold PAYG tax.

The tax-free payment will broadly be calculated and paid by the ATO as an **automatic credit** to an employer, upon the lodgment of activity statements from 28 April 2020, with any resulting refund being paid to the employer. This means that:

- **Quarterly lodgers** will be eligible to receive the payment for the quarters ending March 2020 and June 2020; and
- **Monthly lodgers** will be eligible to receive the payment for the March 2020, April 2020, May 2020 and June 2020 lodgments.

Note that, the minimum payment of \$10,000 will be applied to an entity's first activity statement lodgment (whether for the month of March or the March quarter) from 28 April 2020.

#### Stage 2 payment (credit)

For employers that continue to be active, an identical additional (tax-free) payment will be available in respect of the June to October 2020 period. See links for details.

[https://treasury.gov.au/sites/default/files/2020-03/Fact sheet supporting businesses 1.pdf](https://treasury.gov.au/sites/default/files/2020-03/Fact%20sheet%20supporting%20businesses%201.pdf)

[https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/In-detail/Boosting-cash-flow-for-employers/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/In-detail/Boosting-cash-flow-for-employers/)

## Increasing the instant write-off threshold for business assets to \$150,000

Broadly, the depreciating asset instant asset write-off threshold will be increased from **\$30,000** to **\$150,000** until **30 June 2020**.

The measure applies to both new and second-hand assets first used or installed ready for use in the period beginning on 12 March 2020.

## Reducing the minimum drawdown amounts for superannuation pensions 50%

The Government will be temporarily reducing the superannuation minimum drawdown amounts for account-based pensions and similar products by **50%** for the 2020 and 2021 income years.

## Early access to superannuation benefits

The Government will introduce a new compassionate ground of release that will allow individuals to access their superannuation entitlements where those benefits are required to assist them to deal with the adverse economic effects of the Coronavirus, but only where **one or more of the following requirements** are satisfied:

- The individual is unemployed.
- The individual is eligible to receive the Jobseeker Payment, Youth Allowance for jobseekers, Parenting Payment
- On or after 1 January 2020 either:
  - The individual was made redundant; or
  - The individual's working hours were reduced by at least 20%; or
  - If the individual is a sole trader – their business was suspended or there was a reduction in the business's turnover of at least 20%

Under this new compassionate ground of release, eligible individuals will be able to access (as a lump sum) up to **\$10,000** of their superannuation entitlements before **1 July 2020**, and a further **\$10,000** from **1 July 2020** (subject to a six-month time frame).

Eligible individuals who are looking to access their superannuation entitlements under the above new ground of release will be able to apply directly to the ATO through the MyGov website (at [www.my.gov.au](http://www.my.gov.au)) and certify that the relevant eligibility criteria is satisfied.

## Commercial Leasing Concessions

### Example:

Qualifying tenants would be provided with cash flow relief in proportion to the loss of turnover they have experienced from the COVID-19 crisis i.e., a 60% loss in turnover would result in a guaranteed 60% cash flow relief.

At a minimum, half is provided as rent free/rent waiver for the proportion of which the qualifying tenant's revenue has fallen.

Up to half could be through a deferral of rent, with this to be recouped over at least 24 months in a manner that is negotiated by the parties.

So, if the tenant's revenue has fallen by 100%, then at least 50% of total cash flow relief is rent free/rent waiver and the remainder is a rent deferral.

If the qualifying tenant's revenue has fallen by 30%, then at least 15% of total cash flow relief is rent free/rent waiver and the remainder is rent deferral. Care should be taken to ensure that any repayment of the deferred rent does not compromise the ability of the affected SME tenant to recover from the crisis.

The parties would be free to make an alternative commercial arrangement to this formula if that is their wish.

### See link:

<https://www.pm.gov.au/sites/default/files/files/national-cabinet-mandatory-code-of-conduct-sme-commercial-leasing-principles.pdf>

## ACT Economic Support Package

The main general assistance items are:

**\$150 Residential rates** rebate for everyone.

**Land Tax & Rates rebate up to \$1300** per quarter, for 6 months, **for Landlords** that reduce rent to tenants by at least 25%. This is the link to apply:

<https://www.revenue.act.gov.au/covid-19-assistance/land-tax-credit-application>

**Small Business will receive a \$750** automatic rebate on the **next electricity bill** in June or July.

**Commercial Properties** under \$2M will receive a **credit of \$2,622 on the fourth quarter Rates**.

See more support options & details at

<https://www.covid19.act.gov.au/economic-support/economic-survival-package/supporting-local-businesses-and-the-economy>

## GLR COVID-19 Policy

The health and ongoing support of our team, clients and the broader community remains our priority and GLR have implemented a number of new processes and measures in response to COVID-19.

In order to limit exposure and assist in preventing the transmission of COVID-19 where possible, meetings will be conducted by telephone or video conferencing by prior arrangement.

We are still operating; however, we ask that you only attend our office as organised via prior arrangement to drop off or collect information or sign tax returns as needed. Our preference is to avoid this by emailing documents or loading onto our website (contact Admin first for instructions on the website process).

We request that you do not attend our office AT ALL if you have recently returned from overseas, been in contact with anyone exposed to the virus, have concerns about your health or have been directed to self-isolate.

We thank you for your continued support as we work together to ensure our clients and staff continue to stay safe and healthy. We will continue to actively monitor the situation in order to continue to provide support and services to our clients.

## GLR is on Facebook

GLR has now joined Facebook!

We encourage you to like our Facebook page, as we will post our latest information, including Covid-19 updates when they become available.

Here is the link to our Facebook page:

<https://www.facebook.com/GLR-Accountants-109910287348944/>

Or you can search "GLR Accountants" in the search box on Facebook.