

## **COVID-19 Stimulus Payments to Employers**

I am sure by now you have heard the many media releases regarding the government's COVID-19 stimulus package. Payments to employers, are among the numerous measures they have announced. To assist you as an employer, in understanding the available support; I have summarised the key points below.

### **Payment to Employers**

All eligible employers with a small to medium sized business (SMB), will receive a tax-free payment minimum \$20,000 up to \$100,000, which will be credited to their ATO integrated client account (BAS account). Where the payment results in a credit balance on their ATO account, the balance will be refunded within 14 days.

The credit will be paid in two stages: each stage being a minimum of \$10,000 up to a maximum of \$50,000. It will be processed upon lodgement of your March, June and September 2020 BAS.

**Stage One** to be paid upon lodgment of the March 2020 BAS, will consist of a minimum payment of \$10,000 to all eligible employers, (even if they have not withheld PAYG-W (tax) from wages) up to the maximum \$50,000. This payment is equal to 100% of the PAYG withholding (tax), withheld from wages for the March BAS period.

#### **Example A**

Employer has gross wages of \$50,000, including \$12,000 PAYG-W. They will receive a credit of \$12,000

#### **Example B**

Employer has gross wages of \$20,000, with no tax withheld. They will receive a credit of \$10,000

**Stage Two** will be paid in two parts, upon lodgement of the June & September 2020 BASs. They will be similar to the above payment. However, instead of receiving 100% of the PAYG-W withheld back: the payment will be 50% of the payment received in Stage One.

#### **Example A**

The employer will receive \$6,000 upon lodgement of the June 2020 BAS and \$6,000 upon lodgement of their September 2020 BAS

#### **Example B**

The employer will receive \$5,000 upon lodgement of the June 2020 BAS and \$5,000 upon lodgement of their September 2020 BAS

### **What you need to do**

If you have paid wages to employees in previous periods. The only action you need to take is to ensure your BAS is lodged by due dates.

### **Due Dates**

Monthly BAS is due by the 21<sup>st</sup> of the month end. For example, the March BAS is due on the 21<sup>st</sup> of April.

Quarterly BAS due date **if lodged by a tax agent** - March 2020, due 26<sup>th</sup> May; June 2020, due 25<sup>th</sup> August; and September 2020, *estimated* due date 25 November.

### **Wage Subsidies for Apprentice and Trainees**

Employers with less than 20 full-time employees, who employ an apprentice or trainee, may be entitled to receive a wage subsidy. The key features are:

- The apprentice or trainee had to be in training with the employer as at 1 March 2020.
- The apprentice or trainee must be retained (remain in your employment).
- The payment will be equal to 50% of the apprentice or trainee's wages, paid between 1 January and 30 September 2020.
- Maximum subsidy for the nine-month period is \$21,000 per eligible apprentice or trainee.

### **What you need to do**

Employers can register for the subsidy from early April 2020

### **COVID-19 \$1,500 Wage Subsidy**

On the 30<sup>th</sup> March, the government announced a "JobKeeper" scheme, aimed at keeping employee's in jobs. At this time, details have not been confirmed; however, the current information is as follows:

- The \$1,500 fortnightly payment will be a flat rate.
- The payments are expected to be accessible for 6 months.
- It will be paid directly to employers, who are obligated to pass the full wage subsidy onto their employees.
- Employers are eligible to access the subsidy if their turnover has fallen by 30% since March 1.

### **What you need to do**

Employers can register their interest at <https://www.ato.gov.au/general/gen/JobKeeper-payment/>.

SOURCE: <https://www.abc.net.au/news/2020-03-30/coronavirus-wage-subsidies-government-businesses-workers/12103108>

We will update you as more details are announced.

Stay safe,

The team at Gill Accounting & Taxation

*This document is intended to be general information only.*