

## Barton Deakin Brief: COVID-19 Third Tranche Economic Stimulus Package

**30<sup>th</sup> March 2020**

### Overview

Prime Minister Scott Morrison and Treasurer Josh Frydenberg MP today announced the third tranche of stimulus measures in response to the COVID-19 outbreak – a \$130 billion wage subsidy for approximately 6 million employees.

Under this scheme, businesses will receive \$1500 per fortnight, per employee, from the Australian Taxation Office (ATO). Each business will then pay each eligible employee the flat payment. The Prime Minister and Treasurer named the scheme “uniquely Australian”, as it is broader than the UK scheme, more generous than the NZ scheme and available to a greater range of businesses than the Canadian scheme.

The three economic stimulus packages that have been announced since the outbreak of COVID-19 total **more than \$320 billion**, or 16.4 per cent of GDP.

### The Payment

The ‘JobKeeper’ payment applies to all workers equally. It is a flat payment that represents approximately 70 per cent of the national median wage and 100 per cent of the median wage in those sectors most heavily affected by the coronavirus outbreak, such as tourism, retail and hospitality.

It will be paid to businesses from 1<sup>st</sup> May 2020, but will be backdated until today. All eligible employees will receive the same payment.

### Sectoral and Business Eligibility

- Applies to both small and large employers
- Determined by loss of turnover. Business must have seen turnover fall by 30 per cent. If the turnover of a business exceeds \$1 billion, the business will have to demonstrate a fall of 50 per cent.
- Includes businesses structured through companies, partnerships, trusts and sole traders
- Not-for-profit entities, including charities, are also eligible

Businesses are encouraged to begin paying their staff immediately and will be reimbursed from the first week of May.



- Eligible businesses can apply for the payment online and register their interest via <https://www.ato.gov.au/>.

## Individual Eligibility

- Full time and part time workers
- Sole traders
- Casual worker who has been employed by the same employer for over 12 months
- An employee is only eligible to receive the payment from one employer
- Self-employed individuals are also able to receive this payment
- Will apply to all employees who were on the books as of 1<sup>st</sup> March

## Distributing Payment to Employees

The payment will be paid to the business by ATO. Whilst employers are legally obliged to pass on the payments to their employees, the ATO will use the single touch payroll system to ensure that this is happening in all cases.

## Restrictions

- Recipients cannot be on both the JobSeeker payment and the JobKeeper payment, employers will be able to elect which program is best for individuals
- There is no superannuation guarantee levy on the JobKeeper payment
- Excludes people on temporary work visas, but **includes** New Zealanders who possess a subclass 444 visa.

## Changes to the JobSeeker Payment

The Prime Minister and Treasurer also announced extended arrangements for the JobSeeker payment. The threshold for the 'Partner Pay Income Test' will now be raised from \$48,000 per annum to \$79,762 per annum, in order to allow more people to access the payment.

## Further Information

[Media Release from the Prime Minister's office](#)

<https://www.ato.gov.au/>

[JobKeeper Fact Sheet for Employees](#)

[JobKeeper Fact Sheet for Employers](#)

## Barton Deakin Briefs on COVID-19



[A Business Guide to Who's Who in the Government's COVID-19 Response Team](#)

[Federal Economic Stimulus Package](#)

[Second Federal Economic Stimulus Package](#)

[NSW Government Stimulus Package](#)

[NSW Stage Two Stimulus](#)

[NSW COVID-19 Further Emergency Measures](#)

[NSW Pandemic Planning](#)

[SA COVID-19 Stimulus Package](#) and [Further Stimulus Measures](#)

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