



# Income support for individuals

The Government is providing support for individuals to assist them during the next six months.

## INCREASED AND ACCELERATED INCOME SUPPORT

### Summary

The Government is temporarily expanding eligibility to income support payments and establishing a new, time-limited Coronavirus supplement to be paid at a rate of \$550 per fortnight. This supplement will be paid to both existing and new recipients of the eligible payment categories. These changes will apply for the next six months.

### Eligibility

#### *Payment categories*

The income support payment categories eligible to receive the Coronavirus supplement are:

- Jobseeker Payment<sup>1</sup> (and all payments progressively transitioning to JobSeeker Payment; those currently receiving Partner Allowance, Widow Allowance, Sickness Allowance and Wife Pension)
- Youth Allowance Jobseeker
- Parenting Payment (Partnered and Single)
- Farm Household Allowance
- Special Benefit recipients

Anyone who is eligible for the Coronavirus supplement will receive the full rate of the supplement of \$550 per fortnight.

#### *Expanded access*

For the period of the Coronavirus supplement, there will be expanded access to the income support payments listed above.

- **Expanded access:** Jobseeker Payment and Youth Allowance Jobseeker criteria will provide payment access for permanent employees who are stood down or lose their employment; sole traders; the self-employed; casual workers; and contract workers who meet the income tests as a result of the economic downturn due to the Coronavirus. This could also include a person required to care for someone who is affected by the Coronavirus.
- **Reduced means testing:** Asset testing for JobSeeker Payment, Youth Allowance Jobseeker and Parenting Payment will be waived for the period of the Coronavirus supplement. Income testing will still apply to the person's other payments, consistent with current arrangements.
- **Reduced waiting times:**
  - The one week Ordinary Waiting Period has already been waived.

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1 Under changes announced in the 2017-18 Budget, from 20 March 2020, JobSeeker Payment replaces Newstart Allowance as the main income support payment for recipients aged between 22 years to Age Pension qualification age who have capacity to work.

- To further accelerate access to payments, the Liquid Asset test Waiting Period (LAWP) and the Seasonal Work Preclusion Period (SWPP) will also be waived for recipients eligible for the Coronavirus supplement.
  - : People currently serving a LAWP will no longer need to serve that waiting period.
- The Newly Arrived Residents Waiting Period (NARWP) will be temporarily waived for recipients eligible for the 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.
- Income Maintenance Periods and Compensation Preclusion Periods will continue to apply, as payments under these arrangements are treated as income.

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.

From 20 March 2020, Sickness Allowance was closed to new entrants and was replaced by the JobSeeker Payment. This does not mean that people who previously may have been eligible for Sickness Allowance are now unable to access income support. JobSeeker Payment better accommodates individual circumstances, including assisting people who are sick or bereaved.

### Faster claim process

**Accelerated claim process:** To ensure timely access to payments, new applicants are encouraged to claim through on-line and mobile channels. If applicants do not have internet access, they can claim over the phone.

- From April 2020, Services Australia will allow new applicants to call to verify their identity to reduce the need to visit a Services Australia office.
- To claim online, people who do not already deal with Services Australia will need to set up their myGov account, call to verify their identity, and get a link to their Centrelink online account.
- Applicants for Jobseeker Payment and Youth Allowance Jobseeker will:
  - Make an initial declaration about their identity, residency status, income and that they have been made redundant, or had their hours reduced (including to zero) as a result of the economic downturn due to Coronavirus.
  - In the case of sole traders and the self-employed, applicants will make a declaration that their business has been suspended or had turnover reduced significantly.
- Applicants may also declare the amount of rent they pay in this declaration to qualify for Rent Assistance.
- Services Australia has effective measures in place to detect those seeking to defraud the social security system. Anyone fraudulently claiming a payment will need to pay the money back and may face imprisonment.

**Streamlined application process:** A number of simplified arrangements will be put in place to make it easier to claim, including *removing* the requirements for:

- Employment Separation Certificates, proof of rental arrangements and verification of relationship status;
- Job Seeker Classification Instrument assessment for those people who have recently left jobs, recognising they are job ready; and
- Job seekers to make an appointment with an employment service provider before they can be paid.

## Flexible jobseeking arrangements

Those receiving Jobseeker Payment have an obligation to actively look for work or build their skills, but the Government is making sure this can be done **flexibly and safely**.

- Jobseekers who have caring responsibilities, or who need to self-isolate, are able to seek an exemption from their mutual obligation requirements without the need for medical evidence.
- Activities can be rescheduled if the job seeker is unable to attend as a result of the Coronavirus. Job Plans will be adjusted to a default requirement of four job searches a month (or one a week) to reflect softening labour market conditions.

**Mutual obligations can be tailored for each individual** to suit not only their needs but also the needs of the community. In some circumstances, job seekers can undertake training or volunteer within their community to meet their mutual obligation requirements.

Sole traders that become eligible for the Jobseeker Payment will automatically meet their mutual obligation requirements during this period by continuing to develop and sustain their business.

**Job seekers are encouraged to stay job ready**, connected to their employment services provider and up to date on potential job opportunities in their local area.

These changes ensure that job seekers can reliably access income support, safely look for work, fill critical vacancies as they emerge, develop their skills and job preparedness, contribute to their community and help the economy to bounce back stronger.

## Timing

The Coronavirus Supplement and expanded access for payments will commence from 27 April 2020.

## Budget impact

The expanded access to income support payments and the Coronavirus supplement will operate as a demand driven program. These measures are expected to cost \$14.1 billion.

### Example

Leonie is in her mid-30s, with two dependent children aged 10 and 12 and works as a telephone consultant for a travel agency. The economic downturn due to Coronavirus has caused the travel agency where she works to close for a six month period, and resulted in Leonie's hours being reduced to zero. Leonie will be eligible to apply for JobSeeker Payment and the Coronavirus supplement under the new streamlined process.

Leonie can apply on-line and make a declaration about her identity, residency status, income and that she has had her hours reduced to zero as a result of the economic downturn due to Coronavirus.

Leonie is eligible for Jobseeker Payment and will receive \$1,171.50 per fortnight, comprising:

- JobSeeker Payment single, with dependent child rate of \$612.00 per fortnight; **plus**
- Energy Supplement of \$9.50 per fortnight; **plus**
- Coronavirus supplement of \$550 per fortnight.

Leonie will also receive Family Tax Benefit Part A and Part B of \$483 a fortnight.

Having recently left employment, Leonie is already job ready.

An employment service provider will look to match Leonie's skills with available opportunities (for example, in another call centre) so Leonie's skills can be used in another industry and Leonie can get another job quickly.

### 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 amount of assets during his career, to a level that would ordinarily make him ineligible for an income support payment.

The economic downturn due to 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 and will not have his assets included as part of the eligibility assessment for the payment. He will also not be required to serve a Liquid Asset test Waiting Period, as that has been waived.

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

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

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

### FOR MORE INFORMATION

For more information on the Australian Government's Economic Response to the Coronavirus visit [treasury.gov.au/coronavirus](https://treasury.gov.au/coronavirus).

Businesses can visit [business.gov.au](https://business.gov.au) to find out more about how the Economic Response complements the range of support available to small and medium businesses.



# Payments to support households

These payments will provide assistance to lower income Australians, including pensioners, other social security and veteran income support recipients and eligible concession card holders.

## SUPPORT PAYMENTS

### Summary

The Government is providing two separate \$750 payments to social security, veteran and other income support recipients and eligible concession card holders. Around half of those that benefit are pensioners. These payments will support households to manage the economic impact of the Coronavirus.

- The **first payment** (announced on 12 March 2020) will be available to people who are eligible payment recipients and concession card holders at any time from 12 March 2020 to 13 April 2020 inclusive.
- The **second payment** will be available to people who are eligible payment recipients and concession card holders on 10 July 2020.

A person can be eligible to receive both a first and second support payment. However, they can only receive one \$750 payment in each round of payments, even if they qualify in each round of the payments in multiple ways.

The payment will be exempt from taxation and will not count as income for the purposes of Social Security, Farm Household Allowance and Veteran payments.

### Eligibility for the first payment

To be eligible for the first payment, you must be residing in Australia and be receiving one of the following payments, or hold one of the following concession cards, at any time from 12 March 2020 to 13 April 2020, inclusive:

- 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

Where someone has lodged a claim for one of the eligible payments or concession cards at any time from 12 March to 13 April 2020 inclusive, and the claim is subsequently granted, they will also receive the payment.

The first payment will be made to approximately 6.6 million social security, veteran and other income support recipients and eligible concession card holders. Around half of those that benefit are pensioners.

### Eligibility for the second payment

To be eligible for the second payment, you must be residing in Australia and be receiving one of the payments or holding one of the concession cards that were eligible for the first payment, except for those who are receiving an income support payment that is eligible to receive the Coronavirus supplement.

Income support recipients that are eligible to receive the Coronavirus supplement are:

- JobSeeker Payment (and payments progressively transitioning into JobSeeker Payment)
- Youth Allowance Jobseeker
- Parenting Payment (Partnered and Single)
- Farm Household Allowance
- Special Benefit

The second payment is expected to be made to around 5 million social security, veteran and other income support recipients and eligible concession card holders. Around half of those that benefit are pensioners.

### TIMING

	Timing	Budget impact
<b>First Payment</b>	Paid automatically from 31 March 2020	\$4.8 billion
<b>Second Payment</b>	Paid automatically from 13 July 2020	\$4.0 billion

Payments will be made by Services Australia or the Department of Veterans' Affairs.

If you are a holder of a Veteran Gold Card, we will contact you to confirm your account details so the payment can be made as soon as possible.

#### Example — First and second payment

Kate and Angus are a couple and are both Age Pension recipients as at 12 March 2020. Kate and Angus will each receive \$750, so their household will receive \$1,500 in total. Payments to Kate and Angus will be made automatically from 31 March 2020.

As Kate and Angus remain both a couple and Age Pension recipients on 10 July 2020, they will each be eligible for a further \$750 as part of the second payment, so their household will receive \$1,500 in total for the second payment.

This will bring the total payment to their household to \$3,000, from the first and second payments.

#### Example — Interaction between Coronavirus supplement and second payment

Leanne is a single parent JobSeeker Payment recipient on 10 July 2020, receiving a single, with dependent child, rate of \$612 per fortnight, a further \$9.50 per fortnight for the Energy Supplement and an additional \$550 per fortnight Coronavirus supplement.

This brings Leanne's fortnightly income support payment to \$1,171.50.

Leanne was in receipt of the Jobseeker Payment on 30 March, so she was eligible for the first \$750 payment.

As Leanne already receives the \$550 per fortnight Coronavirus supplement, she will not be eligible for the second \$750 payment.

#### FOR MORE INFORMATION

For more information on the Australian Government's Economic Response to the Coronavirus visit [treasury.gov.au/coronavirus](https://treasury.gov.au/coronavirus).

BENEFITS ELIGIBLE FOR ECONOMIC SUPPORT PAYMENTS

Payment / card	2020 First Economic Support Payment	2020 Second Economic Support Payment	Eligible for Coronavirus supplement
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	✓	✓ (Student only)	✓ (Jobseeker)
Partner Allowance / JobSeeker Payment	✓		✓
Sickness Allowance / JobSeeker Payment	✓		✓
Special Benefit	✓		✓
Widow Allowance / JobSeeker Payment	✓		✓
Family Tax Benefit	✓ (Per recipient)	✓ (Per recipient)	
Double Orphan Pension	✓	✓	
Carer Allowance	✓ (Per recipient)	✓ (Per recipient)	
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	✓		✓



# Early access to superannuation

The Government is allowing individuals affected by the Coronavirus to access up to \$10,000 of their superannuation in 2019-20 and a further \$10,000 in 2020-21.

## TEMPORARY EARLY ACCESS TO SUPERANNUATION

### Summary

While superannuation helps people save for retirement, the Government recognises that for those significantly financially affected by the Coronavirus, accessing some of their superannuation today may outweigh the benefits of maintaining those savings until retirement.

Eligible individuals will be able to apply online through myGov 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).

### Eligibility

To apply for early release you must satisfy any one or more of the following requirements:

- you are unemployed; or
- you are eligible to receive a job seeker payment, youth allowance for jobseekers, parenting payment (which includes the single and partnered payments), special benefit or farm household allowance; or
- on or after 1 January 2020:
  - you were made redundant; or
  - your working hours were reduced by 20 per cent or more; or
  - if you are a sole trader — your business was suspended or there was a reduction in your turnover of 20 per cent or more.

People accessing their superannuation will not need to pay tax on amounts released and the money they withdraw will not affect Centrelink or Veterans' Affairs payments.

### How to apply

If you are eligible for this new ground of early release, you can apply directly to the ATO through the myGov website: [www.my.gov.au](http://www.my.gov.au). You will need to certify that you meet the above eligibility criteria.

After the ATO has processed your application, they will issue you with a determination. The ATO will also provide a copy of this determination to your superannuation fund, which will advise them to release your superannuation payment. Your fund will then make the payment to you, without you needing to apply to them directly. However, to ensure you receive your payment as soon as possible, you should contact your fund to check that they have your correct details, including your current bank account details and proof of identity documents.

Separate arrangements will apply if you are a member of a self-managed superannuation fund (SMSF). Further guidance will be available on the ATO website: [www.ato.gov.au](http://www.ato.gov.au).

### Timing

You will be able to apply for early release of your superannuation from mid-April 2020.

### Budget impact

This measure is expected to have a cost of \$1.15 billion over the forward estimates.

### Ed the bartender

Ed works in a popular bar in Melbourne. As a result of the Coronavirus, Ed has had his work hours reduced from 40 hours on average in the second half of 2019 to 20 hours per week on average in May 2020. As a result, Ed determines that his hours over the last month have reduced by more than 20 per cent compared to the average of his hours over the last six months of 2019.

Ed decides to apply for the early release of \$8,000 of his superannuation in May 2020 to help pay his rent and other living expenses. Ed self-certifies that he is eligible for early release on myGov. He could have applied for up to \$10,000, but chose not to. Ed cannot seek any further early release of superannuation in 2019-20 on the grounds that he has been affected by the adverse economic effects of the Coronavirus.

However, Ed finds after 1 July 2020 that his hours continue to be reduced by more than 20 per cent compared to the average of his hours in the last six months of 2019. Ed decides to make a second application and self-certifies through myGov that he is eligible for early release. He is able to apply again for a release of up to \$10,000 of his superannuation. Ed submits a second application for the full amount of \$10,000 this time.

For each application, the ATO approves Ed's early release and notifies both him and his superannuation fund. Ed has received a total of \$18,000 of his superannuation in two separate payments. He will not be taxed on this amount and is free to spend this money on anything he chooses, or save it for future expenses. He is also free to recontribute any unused amounts to his superannuation in the future (within his contribution caps).

### Rachel the sole trader

Rachel is a sole trader with a catering business. At the end of July 2020, Rachel seeks to apply for an early release from her superannuation for the 2020-21 financial year.

Due to the economic effects of the coronavirus, Rachel's turnover for July is \$5,000 compared to \$10,000 on average per month for the second half of 2019. Rachel therefore determines that her turnover has reduced by more than 20 per cent compared to her average turnover over the last six months of 2019.

Rachel self-certifies that she is eligible for early release and applies to have \$10,000 released from her superannuation.

## FOR MORE INFORMATION

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# Australian Banking Association

<b>Bank</b>	<b>Phone Number</b>	<b>Website</b>
AMP	1300 130 191	<a href="#">Experiencing financial hardship</a>
ANZ	1800 252 845	<a href="#">Customer Connect</a>
Arab Bank	1800 64 64 84	<a href="#">Hardship Assistance</a>
Bank Australia	132 888	<a href="#">Contact Us</a>
Bank of Sydney	13 95 00	<a href="#">Financial Hardship</a>
BOQ	1800 079 866	<a href="#">Financial Hardship Assistance</a>
BankSA	1800 679 461	<a href="#">BankSA Assist</a>
Bankwest	1300 769 173	<a href="#">Experiencing financial hardship</a>
Bendigo and Adelaide Bank	1300 652 146	<a href="#">Financial difficulty assistance</a>
Citibank	1800 722 879	<a href="#">Hardship assistance</a>
Commonwealth Bank	1300 720 814	<a href="#">Emergency assistance</a>
HSBC	1300 555 988	<a href="#">Financial difficulty</a>
ING	1300 349 166	<a href="#">Financial Hardship</a>
Macquarie Bank	1300 363 330	<a href="#">Financial Hardship</a>
ME Bank	1300 500 520	<a href="#">ME Bank financial hardship</a>
MyState	13 800 1	<a href="#">MyState financial hardship</a>
NAB	1800 701 599	<a href="#">Financial Hardship</a>
Rabobank	1800 025 484	<a href="#">Financial Hardship</a>
Rural Bank	1800 660 115	<a href="#">Financial Hardship</a>
St. George Bank	1800 629 795	<a href="#">St. George Assist</a>
Suncorp Bank	1800 225 223	<a href="#">Suncorp Customer Assist</a>
Westpac	1800 067 497	<a href="#">Westpac Assist</a>