

## **CORONA VIRUS STIMULS PACKAGE - 23/3/2020**

### **FOR INDIVIDUAL & RETIREES**

#### **1. Income Support for Individuals**

Over the next six months, 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 will be paid to both existing and new recipients of Jobseeker Payment, Youth Allowance Jobseeker, Parenting Payment, Farm Household Allowance and Special Benefit.

#### ***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
- Austudy or Abstudy
- 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.

This also applies to Sole traders where the economic downturn due to the Coronavirus has adversely affected their business income.

#### ***Timing***

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

#### **2. Payments to support households**

The Government is providing two separate \$750 payments to social security, veteran and other income support recipients and eligible concession card holders. The first payment will be made from 31 March 2020 and the second payment will be made from 13 July 2020. Around half of those that benefit are pensioners. These payments will help to support confidence and domestic demand in the economy. The second payment will not be made to those eligible for the Coronavirus supplement.

**3. Temporary early release of 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. Individuals will not need to pay tax on amounts released and the money they withdraw will not affect Centrelink or Veterans' Affairs payments.

**4. Temporarily reducing superannuation minimum drawdown rates**

The Government is temporarily reducing superannuation minimum drawdown requirements for account-based pensions and similar products by 50 per cent for 2019-20 and 2020-21.

**5. Reducing social security deeming rates**

On 12 March, the Government announced a 0.5 percentage point reduction in both the upper and lower social security deeming rates. The Government will now reduce these rates by another 0.25 percentage points.

As of 1 May 2020, the upper deeming rate will be 2.25 per cent and the lower deeming rate will be 0.25 per cent. The reductions reflect the low interest rate environment and its impact on the income from savings