



WE ARE STILL OPEN!

As the fallout from the COVID-19 pandemic deepens, we have included the following resources to assist you through this difficult time.

Apart from the changes detailed below, **we remain available to answer any questions you may have and to assist you through this difficult time. Just give us a call on 4341-9000.**

- [HC Partners Office Update](#)
- [Support for individuals \(Government Stimulus Package Part 2\)](#)
- [Support for business \(Government Stimulus Package Part 2\)](#)
- [Coronavirus and Australian workplace laws](#)
- [Impact on financial markets](#)

HC Partners Office Update

Effective Tuesday 24th March, we are implementing the following changes to manage the impacts of the COVID-19 virus:

1. Our office will be open via appointment only
2. We encourage the use of technology where practical including electronic signatures, email and other document storage software
3. If you have documents that need to be dropped into the office and electronically is not an option, please phone the office beforehand.
4. All other meetings will be by appointment only. We will be encouraging all clients who do visit our office to follow all directions issued by the [Department of Health](#).
5. Our phones and emails will remain available as normal

It is important to note that apart from the above changes, our office will remain open. We encourage you to reach out to discuss your personal circumstances in light of the impact of the pandemic to discuss ways we may be able to help.

Support for Individuals

Early release of superannuation – individuals in financial distress are able to access up to \$10,000 of their superannuation in 2019-20, and a further \$10,000 in 2020-21. The withdrawals will be tax-free and will not affect Centrelink or Veterans' Affairs payments.

Note that you will be required to apply for early release before funds are drawn from superannuation - you can apply directly to the ATO through the MyGov website. You will need to certify that you meet the eligibility criteria.

Temporary reduction in minimum superannuation draw down rates – superannuation minimum drawdown requirements for account based pensions and similar products reduced by 50% in 2019-20 and 2020-21.

Deeming rates reduced – from 1 May, superannuation deeming rates reduced further to a lower rate of 0.25% and upper rate of 2.25%.

Supplements increased, access extended and eased – for 6 months from 27 April 2020:

- A temporary coronavirus supplement of \$550 will be paid to existing income support recipients (people will receive their normal payment plus \$550 each fortnight for 6 months).
- A second one-off stimulus payment of \$750 will be paid automatically from 13 June 2020 to certain income support recipients (in addition to the payment made from 31 March 2020).
- Eligibility for access to income support eased to include sole traders and the self-employed, and to those caring for someone infected or in isolation.

- Waiting periods and assets tests temporarily waived.

Please note that some of the income support payments are taxable. You should consider whether to elect for tax to be withheld from the payments when applying.

Bankruptcy safety net – temporary 6 month increase to the threshold for the minimum amount of debt required for a creditor to initiate bankruptcy proceedings against a debtor from \$5,000 to \$20,000.

For further details on any of the above, please visit <https://treasury.gov.au/coronavirus/households>
Or [contact us](#).

Support for Business

Tax-free payments up to \$100,000 for small business and not-for-profit employers. An increase in the previously announced initial tax-free payments for employers to a maximum of \$50,000. In addition to this, a second round of payments will be made up to a maximum of \$50,000, accessible from July 2020.

There is a minimum payment of \$20,000 with the first payment of \$10,000 due around the end of April and the second \$10,000 due around the end of July.

Solvency safety net – temporary 6 month increase to the threshold at which creditors can issue a statutory demand on a company from \$2,000 to \$20,000, and an increase in the time companies have to respond from 21 days to 6 months. Directors also are provided with temporary relief from personal liability for trading while insolvent for 6 months.

Access to working capital – Introduction of a Coronavirus SME guarantee scheme protecting financial institutions by guaranteeing 50% of new loans to SMEs.

Sole traders and self-employed eligible for Jobseeker payment – the eligibility criteria to access income support relaxed for the self-employed and sole traders.

Temporary relief from some *Corporations Act* requirements

For further details on any of the above, please
visit <https://treasury.gov.au/coronavirus/businesses>
Or [contact us](#).

In addition to the above, the ATO have also granted lodgement and payment extensions for many Activity Statement and Income Tax Returns. Please contact us for more information.

Coronavirus and Australian workplace laws

With the coronavirus pandemic and its impact on businesses evolving so quickly, we recommend all businesses that employ staff read the information provided by Fair Work by clicking on the following link:

<https://www.fairwork.gov.au/about-us/news-and-media-releases/website-news/coronavirus-and-australian-workplace-laws>

As mentioned in our previous newsletter, we have also partnered with [SJB Business Consulting](#) to provide additional resources and support. Following is a link to a recently published article addressing some of the challenges faced by businesses:

<https://sjbconsulting.com.au/f/covid-19-and-the-challenges-for-small-to-medium-business>

Impact on financial markets:

With the continued volatility in financial markets, we have provided the following link to an article written by Dr Shane Oliver, Chief Economist with AMP Capital. The article encourages investors to remember some of the basic principles of investing and to focus on the strategies that have been put in place to achieve long term goals:

<https://www.ampcapital.com/au/en/insights-hub/articles/2020/march/five-charts-on-investing-to-keep-in-mind-in-rough-times-like-these>