

BOOSTING CASH FLOW FOR EMPLOYERS

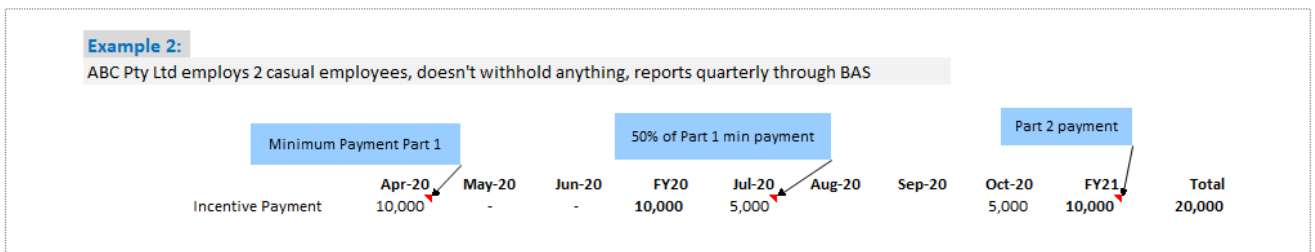
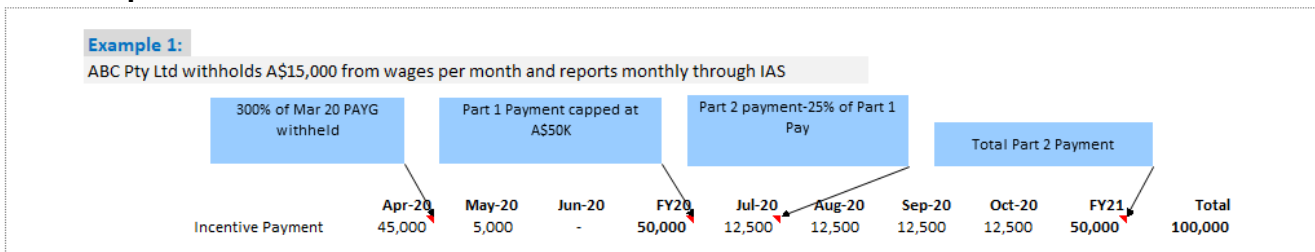
COVID-19 FEDERAL GOVERNMENT STIMULUS PACKAGE

This document outlines the likely impact of the federal government's *Boosting Cash Flow for Employers package*, under different scenarios based on information available on 22 March 2020. See also the Source [Summary of the federal government's stimulus package](#).

What is it?

1. The package is a **tax-free incentive**. It's applicable to employers with less than A\$50m turnover pa. Must be operating/established as employers prior to 12/3/20.
2. It's **automatically** paid/adjusted on lodgment of BAS/IAS, no additional processing or application is required. No further details are available at this stage.
3. A **minimum A\$20K and maximum A\$100K** is payable between 21/4/20 to 28/10/20. Minimum amount is for employers who do not need to withhold PAYG or withhold less than the minimum amount during Jan-Mar 20.
4. Two parts:
 - o Part 1 is for 100% PAYG withholding from 1/1/20 to 30/6/20 or the minimum of A\$10k, capped at A\$ 50K, incentive to be paid by 28/7/20. Timing depends whether employers are monthly or quarterly reporters.
 - o Part 2, an additional amount, equal to the amount of Part 1 incentive paid, to be paid by 28/10/20. Timing depends whether employers are monthly or quarterly reporters.
5. **Monthly** reporters receive 300% of Mar 20 PAYG in Apr 20 then 100% of PAYG withheld each month capped at A\$50K up to Jun 20. Then part 2 in four instalments during Jul-Oct 20.
6. **Quarterly** reporters receive 100% of PAYG withheld in Jan-Mar 20 or minimum A\$10K. Then part 2 in two instalments during Jul-Oct 20.

Three examples



Example 3:

ABC Pty Ltd employs 1 employee, withholds only A\$ 500 per month, reports quarterly through BAS

	Apr-20	May-20	Jun-20	FY20	Jul-20	Aug-20	Sep-20	Oct-20	FY21	Total
Incentive Payment	10,000	-	-	10,000	5,000			5,000	10,000	20,000

Minimum Payment Part 1 points to Apr-20 (10,000)
Part 2 pay: 50% of Part 1 min payment points to Jul-20 (5,000)
Part 2 payment points to FY21 (10,000)

Need help?

We're able to help with your financial matters.
 Contact [Lutful Baki](#) if your business needs CFO support.

Check out other COVID-19 resources on the Source website:
<https://www.sourcelegal.com.au/covid-19-response/>