

TaxWise

News Flash #3

March 2020



Support for Individuals and Households

The Australian Government is providing financial assistance to Australians. This assistance includes income support payments, payments to support households and temporary early releases of superannuation.

- Income support for individuals
- Payments to support households
- Temporary early release of superannuation
- Temporarily reducing superannuation minimum drawdown rates
- Reducing social security deeming rates

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.

Fact sheet

[Income support for individuals](#)

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. This payment 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.

Fact sheet

[Payments to support households](#)

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.

Fact sheet

[Early access to superannuation](#)

Reducing super 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. This measure will benefit retirees holding these products by reducing the need to sell investment assets to fund minimum drawdown requirements.

Fact sheet

[Providing support for retirees](#)

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. The change will benefit around 900,000 income support recipients, including around 565,000 Age Pensioners who will, on average receive around \$105 more of the Age Pension in the first full year the reduced rates apply.

Fact sheet

[Providing support for retirees](#)



E: admin@hardingmartin.com.au
T: +61 7 3812 2233
F: +61 7 3812 2386
W: www.hardingmartin.com.au

A: 221 Brisbane Street, Ipswich, QLD 4305
PO Box 763, Ipswich, QLD 4305

Liability limited by a scheme approved under Professional Standards Legislation

DISCLAIMER

TaxWise® News is distributed by professional tax practitioners to provide information of general interest to their clients. The content of this newsletter does not constitute specific advice. Readers are encouraged to consult their tax adviser for advice on specific matters.