

Attachment 1 Cash Boost for Small Business Employers and Non Profit Organisation who employ staff.

On 12 March 2020, as part of the first stimulus package the Government announced the *Boosting Cash Flow for Employers* measure. The measure initially provided up to \$25,000 to business, with a minimum payment of \$2,000 for eligible businesses. Small and medium sized business entities with aggregated annual turnover under \$50 million and that employ workers are eligible.

The Government has enhanced this measure as part of the second economic response package. This was passed last night.

An additional payment is also being introduced in the July – October 2020 period. Eligible entities will receive an additional payment equal to the total of all of the *Boosting Cash Flow for Employers* payments they have received.

This means that eligible entities will receive at least \$20,000 up to a total of \$100,000 under both payments. This additional payment continues cash flow support over a longer period, increasing confidence, helping employers to retain staff and helping entities to keep operating.

The cash flow boost provides a tax free payment to employers and is automatically calculated by the Australian Taxation Office (ATO). There are no new forms required.

Eligibility

Not every business is eligible To be eligible you must be an employer and directly pay wages.

Boosting Cash Flow for Employers payments

Small and medium business entities with aggregated annual turnover under \$50 million and that **employ workers will be eligible**. Eligibility will generally be based on prior year turnover.

- The payment will be delivered by the Australian Taxation Office (ATO) as a credit in the activity statement system from 28 April 2020 upon businesses lodging eligible upcoming activity statements.
- Eligible businesses that withhold tax to the ATO on their employees' salary and wages will receive a payment equal to 100 per cent of the amount withheld, up to a maximum payment of \$50,000.
- Eligible businesses that pay salary and wages will receive a minimum payment of \$10,000, even if they are not required to withhold tax.
- The payments will only be available to active eligible employers established prior to 12 March 2020. However, charities which are registered with the Australian Charities and Not for profits Commission will be eligible regardless of when they were registered, subject to meeting other eligibility requirements. This recognises that new charities may be established in response to the coronavirus pandemic.

Timing

The ATO will deliver the payment as a credit to your business upon lodgment of your activity statements. Where this places the business in a refund position, the ATO will deliver the refund within 14 days.

Type of lodger	Eligible period	Lodgment due date
Quarterly	Quarter 3 (January, February and March 2020)	28 April 2020
	Quarter 4 (April, May and June 2020)	28 July 2020
Monthly		21 April 2020
	March 2020	21 May 2020
	April 2020	22 June 2020
	May 2020	21 July 2020
	June 2020	

- Quarterly lodgers will be eligible to receive the payment for the quarters ending March 2020 and June 2020.
- Monthly lodgers will be eligible to receive the payment for the March 2020, April 2020, May 2020 and June 2020 lodgments. To provide a similar treatment to quarterly lodgers, the payment for monthly lodgers will be calculated at three times the rate (300 per cent) in the March 2020 activity statement.
- The minimum payment will be applied to the business' first lodgment.

Additional payment

- The additional payment will be applied to a limited number of activity statement lodgments. The ATO will deliver the payment as a credit to your business upon lodgment of your activity statements. Where this places the business in a refund position, the ATO will deliver the refund within 14 days.

Type of lodger	Eligible period	Lodgment due date
Quarterly	Quarter 4 (April, May and June 2020)	28 July 2020
	Quarter 1 (July, August and September 2020)	28 October 2020
Monthly	June 2020	21 July 2020
	July 2020	21 August 2020
	August 2020	21 September 2020
	September 2020	21 July 2020

- Quarterly lodgers will be eligible to receive the additional payment for the quarters ending June 2020 and September 2020. Each additional payment will be equal to half of your total initial Boosting Cash Flow for Employers payment (up to a total of \$50,000).
- Monthly lodgers will be eligible to receive the additional payment for the June 2020, July 2020, August 2020 and September 2020 lodgments. Each additional payment will be equal to a quarter of your total initial Boosting Cash Flow for Employers payment (up to a total of \$50,0