



**SAWARD  
DAWSON**

**Covid-19 Stimulus Packages  
Summary for Churches**

[www.sawarddawson.com.au/covid-19](http://www.sawarddawson.com.au/covid-19)

## JobKeeper Payment Summary

Where an eligible church suffers a substantial decrease in revenue, they will receive a subsidy for their eligible employees of \$1,500 per fortnight. They will need to continue to pay the employee at least \$1,500 per fortnight for the next six months, even if they have been stood down.

The first payment will be received by employers from the Australian Taxation Office (ATO) in the first week of May, backdated from 30 March 2020.

Participating employers will be required to ensure eligible employees will receive, at a minimum, \$1,500 per fortnight, before tax. Employees that are already receiving this amount per fortnight will not see their salary change.

The payment will be paid for employees engaged as at 1 March 2020 even if subsequently stood down. For most employers the ATO will use the Single Touch Payroll data to pre-populate employer and employee data.

### Registration by employers

At this stage employers must register for the JobKeeper payment at the following website:

[www.ato.gov.au/general/gen/JobKeeper-payment](http://www.ato.gov.au/general/gen/JobKeeper-payment)

Following registration employers will be provided updates of the package's arrangements over the coming month.

### Eligible churches

Most churches will be eligible for the JobKeeper payment provided that their turnover has reduced by more than 30% relative to a comparable period a year ago (of at least a month).

### Employee eligibility

The payment applies to full-time, part-time and casual employees who were employed by the employer on 1 March 2020. Casuals must have been employed on a regular basis for more than 12 months as at 1 March 2020.

All eligible employees must be:

- At least 16 years of age;
- An Australian citizen, the holder of a permanent visa, a Protected Special Category Visa Holder, a non-protected Special Category Visa Holder who has been residing continually in Australia for 10 years or more, or a Special Category (Subclass 444) Visa Holder; and
- Not in receipt of a JobKeeper payment from another employer.

### Practical Considerations

Although the details are being worked out, the ATO will administer the scheme and attend to payment of the subsidy. The Single Touch Payroll System will be an integral part of the process.

Churches may have cash flow issues as payments are monthly in arrears.

More details of the JobKeeper Payment are available on our website [www.sawarddawson.com.au/covid-19](http://www.sawarddawson.com.au/covid-19)

## Cash Flow Boost up to \$100,000

Churches with an annual turnover < \$50m and active employees will be eligible for the Cash Flow Boost.

The Boost will be provided as credits in the activity statement system by the Australian Taxation Office (ATO). Where these credits result in a refund, the ATO will deliver this within 14 days

The credits will be delivered in two tranches.

- 1 The first tranche of credits (Cash Flow Boost 1) will be based on the PAYG withholding amount on the March, April, May and June 2020 Activity Statements. Cash Flow Boost 1 will be a maximum of \$50,000.
  - It will be paid from late April to July.
  - Churches that pay salary and wages but do not have to withhold tax will receive the minimum credit of \$10,000. These salaries would still be disclosed in total wages on activity statements even though no tax withholding amounts are payable.
- 2 The second credit tranche (Cash Flow Boost 2) will, in total, be the same amount as Cash Flow Boost 1, but will be delivered in equal instalments in the June – September activity statements. To be eligible for Cash Flow Boost 2 the entity needs to remain active.

The scheme has a minimum credits of \$20,000 and maximum credits of \$100,000.

The below diagram illustrates how the credits will be applied over the coming months. The top section applies to large and medium withholders that report monthly and the bottom section applies to those that pay withholding payments quarterly:



We have developed a Cash Flow Boost Calculator for you to use to determine the credit that will be received. It can be downloaded from our website [www.sawarddawson.com.au/covid-19](http://www.sawarddawson.com.au/covid-19).



**SAWARD  
DAWSON**

20 Albert St, PO Box 256, Blackburn VIC 3130  
T +61 3 9894 2500 F +61 3 9894 1622  
[contact@sawarddawson.com.au](mailto:contact@sawarddawson.com.au)  
[sawarddawson.com.au](http://sawarddawson.com.au)