



**EVANS EDWARDS**

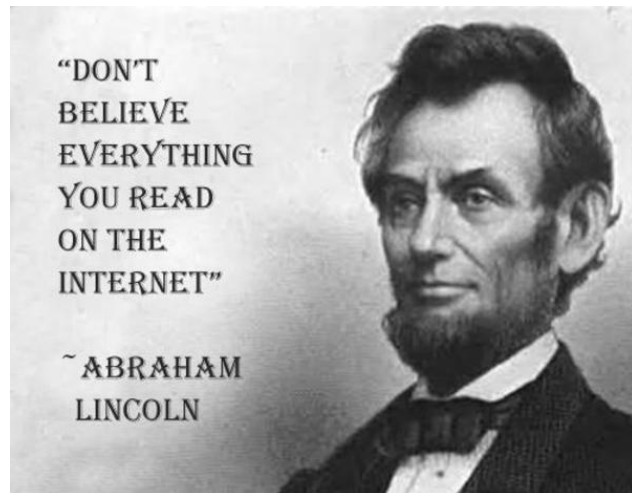
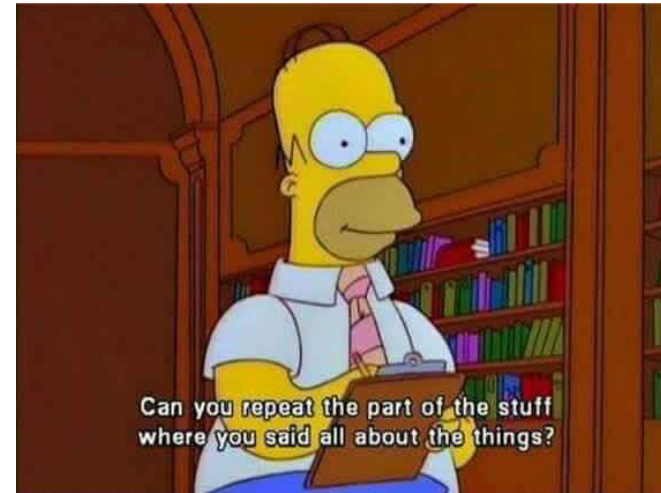
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**Economic Response to Coronavirus**  
**Boosting Cash Flow**  
**for Employers**

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# Disclaimer

- General advice
- Talk to your accountant and get advice tailored to your specific situation



- Taking advice from the internet isn't always a great idea – Fact check!



# What it's not

- Sorry, to be the bearer of disappointing news - you're not going to suddenly get \$100,000 pop up in your bank account
- Not a “cash handout”
- Not everyone will get the full \$100,000
- Employers only (designed to help them keep people in jobs for longer)



# So what is it?

- Calculated based on amount of tax withheld from employees wages
- Applied as a credit on your ATO Activity Statement account
- Boost of max \$50,00 paid in respect of March & June quarters
- Additional payment paid during July to Oct equivalent to your total Boost



# Am I Eligible?

- Small and medium sized businesses and not-for-profits
- Group turnover (sales) under \$50m
- Make payments subject to PAYG Withholding (eg salary & wages)
- Employs workers prior to 12 March 2020 (exemption for charities & NFP's)
- You can be either a monthly or quarterly withholder (different calculation rules)
- Must continue to employ



# How do I get it

## First cash flow boost

- Lodge your March BAS
- ATO will automatically apply the credit
- If you haven't exhausted the \$50,000 limit you will receive further credits in your June quarter

## Second cash flow boost

- This will be equivalent to what you got in the first round split into equal payments across activity statements lodged for the Sept quarter



# When do I get the credit? Boosting Cash Flow payment

Through the lodgement of your Activity Statements

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

Quarterly due dates may be different when you lodge online or through an accountant

We expect the credit will be used to immediately reduce the Activity Statement liability. Any surplus to be refunded



# When do I get the credit? Additional Payment

Through the lodgement of your Activity Statements

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

Quarterly due dates may be different when you lodge online or through an accountant

We expect the credit will be used to immediately reduce the Activity Statement liability. Any surplus to be refunded







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# Examples

# What if you pay PAYGW on quarterly basis

Round 1 Boost		Example 1	Example 2	Example 3	
	<b>March 2020 BAS</b>				
	GST	25,000	25,000	25,000	
	PAYG W	<u>20,000</u>	<u>35,000</u>	<u>53,000</u>	☛ Based on this
	BAS Total	45,000	60,000	78,000	
	Boost credit	(20,000)	(35,000)	(50,000)	☛ Max \$50k
	Net	25,000	25,000	28,000	
	<b>June 2020 BAS</b>				
	GST	25,000	25,000	25,000	
	PAYG W	<u>20,000</u>	<u>35,000</u>	<u>53,000</u>	☛ Based on this
	BAS Total	45,000	60,000	78,000	
	Boost credit	(20,000)	(15,000)	0	☛ Max \$50k combined with above credit
	Net	25,000	45,000	78,000	
	<b>Total Boost</b>	<b>40,000</b>	<b>50,000</b>	<b>50,000</b>	



# What if you pay PAYGW on quarterly basis

## Round 2 Additional Payment

	Example 1	Example 2	Example 3
Total Boost	40,000	50,000	50,000
Additional Payment to be paid in 2 equal payment in conjunction with the following activity statements			
June 2020 BAS	20,000	25,000	25,000
Sept 2020 BAS	20,000	25,000	25,000
Total additional	40,000	50,000	50,000
<b>Overall total received</b>	<b>80,000</b>	<b>100,000</b>	<b>100,000</b>

The additional payments will also be credited to your ATO activity statement account. If this results in an overall credit (ie after taking into account the amount owing on your BAS, the ATO will refund this within 14 days.



# What if you pay PAYGW on monthly basis

## Round 1 Boost

	Example 1	Example 2	Example 3	
<b>March 2020 BAS</b>				
GST (qtr)	15,000	25,000	35,000	
PAYG W (mth)	<u>8,000</u>	<u>12,000</u>	<u>20,000</u>	☛ Based on this multiplied by 3
BAS Total	23,000	37,000	55,000	
Boost credit	(24,000)	(36,000)	(50,000)	☛ Max \$50k
Net	(1,000)	1,000	5,000	☛ If a credit, gets refunded
<b>April IAS</b>				
	8,000	12,000	20,000	
Boost credit	(8,000)	(12,000)	0	
<b>May IAS</b>				
	8,000	12,000	20,000	
Boost credit	(8,000)	(2,000)	0	
<b>June 2020 BAS</b>				
GST	15,000	25,000	35,000	
PAYG W	<u>8,000</u>	<u>12,000</u>	<u>20,000</u>	
BAS Total	23,000	37,000	55,000	
Boost credit	(8,000)	0	0	
Net	15,000	37,000	55,000	
<b>Total Boost</b>	<b>48,000</b>	<b>50,000</b>	<b>50,000</b>	



# What if you pay PAYGW on monthly basis

## Round 2 Additional Payment

	Example 1	Example 2	Example 3
Total Boost	48,000	50,000	50,000
Additional Payment to be paid in 2 equal payment in conjunction with the following activity statements			
June 2020 BAS	12,000	12,500	12,500
July 2020 IAS	12,000	12,500	12,500
Aug 2020 IAS	12,000	12,500	12,500
Sept 2020 BAS	12,000	12,500	12,500
Total additional	48,000	50,000	50,000
<b>Overall total received</b>	<b>96,000</b>	<b>100,000</b>	<b>100,000</b>

The additional payments will also be credited to your ATO activity statement account. If this results in an overall credit (ie after taking into account the amount owing on your BAS/IAS, the ATO will refund this within 14 days.





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## Questions?





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