



FACT SHEET THREE: SOLE TRADERS

If you've lost some or all of your income during the COVID-19 pandemic, you're not alone. The Government's social distancing rules have seen a raft of businesses close, with steep downturns for many others.

While this is a worrying time, there are many ways that you can get help. State and Federal governments have recognised that sole traders face significant challenges in the current environment. Here's a round up of the help you can access.

INCOME PAYMENTS

JobKeeper payment

Sole traders who have seen a reduction in income of 30% or more (compared to the same period last year) may be eligible for the JobKeeper payment.

What is it?

Under this scheme, the Australian government will provide employers with a \$1500 payment per fortnight as reimbursement for each eligible employee that they keep on their books. Employers include sole traders and partnerships. If you are a sole trader or partnership, you nominate the person who receives the payment: for a sole trader, this will be you.

JobKeeper is a flat fee payment. It is payable in full even if your income has reduced by less than \$1500 per fortnight, and can't be increased if your income has dropped by more than \$1500.

Am I eligible?

You are eligible for JobKeeper payment if:

You are an employer, which includes partnerships, trusts and sole traders:

- With a turnover of less than \$1B that has lost 30% of their revenue compared to a comparable period a year ago
- With a turnover of \$1B or more that has lost 50% of their revenue compared to a comparable period a year ago

If you are self employed, you are a business even if you don't employ any workers. You must:

- Have an ABN for your business
- Nominate an individual to receive the payments
- Provide that individual's Tax File Number
- Provide a declaration of recent business activities to show a reduction of 30% or more in revenue to a comparable period last year

You must also be one of the following:

- 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 in Australia for over 10 years)

- A Special Category (Subclass 444) Visa Holder

How do I apply?

If you are a sole trader, then you should [register your interest](#) in the program with the ATO. The Australian government will then pass you the information you need to make an application.

JobSeeker payment

If you aren't eligible for the JobKeeper payment, you may want to access JobSeeker instead.

What is it?

JobSeeker is the payment formerly known as Newstart. The government has changed the eligibility and amount. Partner income thresholds have also been changed.

The base amount of JobSeeker payment is \$565.70/fortnight. The government has also added a Coronavirus Supplement of an additional \$550 per fortnight from 27 April.

This is payable for anyone in receipt of:

- JobSeeker payment
- Youth Allowance
- Austudy and Abstudy
- Sickness Allowance
- Parenting Payment
- Farm Household Allowance

That means that even if you were unemployed before the COVID-19 crisis hit, your payment could potentially double.

Am I eligible?

You are eligible for JobSeeker payment if:

You are unemployed or do not have enough work and you are not in receipt of JobKeeper payment. This includes sole traders and self-employed people who are not eligible for JobKeeper payment, as well as people caring for someone who is infected with coronavirus or are themselves in isolation.

As a sole trader, you are not required to look for other work while in receipt of JobSeeker. Continuing to run your business is considered to be enough to meet your mutual obligation requirements.

However, income tests still apply. If you are in receipt of any other income, the amount you are entitled to will reduce. If you have a partner, their income is also taken into account. The cut off for partner income has been raised from \$48,000 to \$79,000.

You can check the income cut off limits [here](#).

How do I apply?

Go to Services Australia and start your claim online. You will need to set up a MyGov account if you don't already have one. Your claim will be backdated to the date you lodge your intent to claim.

The government has waived the standard one-week waiting period and the sign up process has been streamlined.

OTHER HELP

Early release of superannuation

What is it?

If you are financially impacted by COVID-19 and meet eligibility rules, you can access up to \$10,000 of your superannuation per financial year. That means that you could potentially access \$10,000 from now until 1 July 2020, and then another \$10,000 from 1 July to 24 September 2020.

You will not need to pay tax on the amount released, and it will not affect your entitlement to Centrelink payments.

Am I eligible?

You are eligible if you are a sole trader whose business has been suspended or whose turnover was reduced by 20% or more

How do I apply?

Directly to the ATO through the [myGov website](#).

Taxation relief

The ATO is offering a range of additional relief measures to sole traders who may be impacted by COVID-19. These include:

- Giving you more time to lodge and pay tax obligations
- The potential to access tax that you've already paid for 2020 in certain conditions
- Low interest payment plans
- Deferred payments of owed monies
- Relief on interest and penalties

To find out more about what you're eligible for please contact the ATO on 1800 806 218.

Banks

The Big Four banks (and most smaller financial institutions) have all agreed to offer repayment holidays for anyone holding a business loan. Terms and conditions vary, so the best thing to do is contact your bank and enquire what is on offer. Many also offer deferrals on business credit cards.

50% of the value of new loans issued by eligible lenders to SMEs will be guaranteed by the government (up to \$40 billion worth of loans). This is in addition to a range of measures that have been introduced to keep banks operating and lending.

State government packages

Each State and Territory has also offered assistance to businesses including sole traders. This is widespread and ranges from payroll tax relief, waiving of various license fees, support for the arts plus reduced or waived stamp duty and land tax. The packages vary between each region and are constantly being updated, so check the information in your state or territory as follows:

ACT: <https://www.covid19.act.gov.au/businesses-and-workplaces/economic-survival-package>

NSW: <https://preview.nsw.gov.au/covid-19>

VIC: <https://www.dhhs.vic.gov.au/coronavirus>

QLD: <https://www.qld.gov.au/about/industry-recovery>

SA: <https://www.sa.gov.au/covid-19/home>

TAS: [https://www.dhhs.tas.gov.au/news/2020/Important information about new COVID-19 response measures](https://www.dhhs.tas.gov.au/news/2020/Important_information_about_new_COVID-19_response_measures)

WA: <https://www.wa.gov.au/government/covid-19-coronavirus>

NT: <https://businessrecovery.nt.gov.au/home>