Income support for individuals

The Government is providing support for individuals to assist them during the next six months.

INCREASED AND ACCELERATED INCOME SUPPORT

Summary

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 supplement will be paid to both existing and new recipients of the eligible payment categories. These changes will apply for the next six months.

Eligibility

Payment categories

The income support payment categories eligible to receive the Coronavirus supplement are:

- Jobseeker Payment[1] (and all payments progressively transitioning to JobSeeker Payment; those currently receiving Partner Allowance, Widow Allowance, Sickness Allowance and Wife Pension)
- Youth Allowance
- Parenting Payment (Partnered and Single)
- Austudy
- ABSTUDY (Living Allowance)
- Farm Household Allowance
- Special Benefit recipients

Anyone who is eligible for the Coronavirus supplement will receive the full rate of the supplement of $550 per fortnight.

Expanded access

For the period of the Coronavirus supplement, there will be expanded access to the income support payments listed above.

- **Expanded access**: Jobseeker Payment and Youth Allowance Jobseeker criteria will provide payment access for permanent employees who are stood down or lose their employment; sole traders; the self-employed; casual workers; and contract workers who meet the income tests as a result of the economic downturn due to the Coronavirus. This could also include a person required to care for someone who is affected by the Coronavirus.
- **Reduced means testing**: Asset testing for JobSeeker Payment, Youth Allowance and Parenting Payment will be waived for the period of the Coronavirus supplement. Income testing will still apply to the person's other payments, consistent with current arrangements.
- **Reduced waiting times:**
  - The one-week Ordinary Waiting Period has already been waived.

1 Under changes announced in the 2017-18 Budget, from 20 March 2020, JobSeeker Payment replaces Newstart Allowance as the main income support payment for recipients aged between 22 years to Age Pension qualification age who have capacity to work.

- To further accelerate access to payments, the Liquid Asset test Waiting Period (LAWP) and the Seasonal Work Preclusion Period (SWPP) will also be waived for recipients eligible for the Coronavirus supplement.
  - People currently serving a LAWP will no longer need to serve that waiting period.
- The Newly Arrived Residents Waiting Period (NARWP) will be temporarily waived for recipients eligible for the Coronavirus supplement. When the Coronavirus supplement ceases, those people that were serving a NARWP will continue to serve the remainder of their waiting period, though the time the person was receiving the Coronavirus supplement will count towards their NARWP. Residency requirements still apply.
- All income testing, Income Maintenance Periods and Compensation Preclusion Periods will continue to apply.

People will not be permitted to access, and will need to declare that they are not accessing, employer entitlements (such as annual leave and/or sick leave) or Income Protection Insurance, at the same time as receiving Jobseeker Payment and Youth Allowance Jobseeker under these arrangements.

From 20 March 2020, Sickness Allowance was closed to new entrants and was replaced by the JobSeeker Payment. This does not mean that people who previously may have been eligible for Sickness Allowance are now unable to access income support. JobSeeker Payment better accommodates individual circumstances, including assisting people who are sick or bereaved.

Faster claim process

Accelerated claim process: To ensure timely access to payments, new applicants are encouraged to claim online. If applicants do not have internet access, they can claim over the phone.

- From April 2020, Services Australia will allow new applicants to call to verify their identity to reduce the need to visit a Services Australia office.
- To claim online, people who do not already deal with Services Australia will need to set up their myGov account, call to verify their identity, and get a link to their Centrelink online account.
- Applicants for Jobseeker Payment and Youth Allowance Jobseeker will:
  - Make an initial declaration about their identity, residency status, income and that they have been made redundant, or had their hours reduced (including to zero) as a result of the Coronavirus.
  - In the case of sole traders and the self-employed, applicants will make a declaration that their business has been suspended or had turnover reduced significantly.
- Applicants may also declare the amount of rent they pay in this declaration to qualify for Rent Assistance.
- Services Australia has effective measures in place to detect those seeking to defraud the social security system. Anyone fraudulently claiming a payment will need to pay the money back and may face legal action.

Streamlined application process: A number of simplified arrangements will be put in place to make it easier to claim, including *removing* the requirements for:

- Employment Separation Certificates, proof of rental arrangements and verification of relationship status;
- JobSeeker Classification Instrument assessment for those people who have recently left jobs, recognising they are job ready; and
- Jobseekers to make an appointment with an employment service provider before they can be paid.

Flexible jobseeking arrangements

Those receiving Jobseeker Payment have an obligation to actively look for work or build their skills, but the Government is making sure this can be done **flexibly and safely**.

- Jobseekers who have caring responsibilities, or who need to self-isolate, are able to seek an exemption from their mutual obligation requirements without the need for medical evidence.
- Activities can be rescheduled if the jobseeker is unable to attend as a result of the Coronavirus. Job Plans will be adjusted to a default requirement of four job searches a month (or one a week).

Mutual obligations can be tailored for each individual to suit not only their needs but also the needs of the community. In some circumstances, jobseekers can undertake training or volunteer within their community to meet their mutual obligation requirements.

Sole traders that become eligible for the Jobseeker Payment will automatically meet their mutual obligation requirements during this period by continuing to develop and sustain their business.

Jobseekers are encouraged to stay job ready, connected to their employment services provider and up to date on potential job opportunities in their local area.

These changes ensure that jobseekers can reliably access income support, safely look for work, fill critical vacancies as they emerge, develop their skills and job preparedness, contribute to their community and help the economy to bounce back stronger.

Timing

The Coronavirus supplement will commence from 27 April 2020.

Expanded access for payments and faster claims processing will commence from 25 March 2020.

Example

Leonie is in her mid-30s, with two dependent children aged 10 and 12 and works as a telephone consultant for a travel agency. The Coronavirus has caused the travel agency where she works to close for a six month period, and resulted in Leonie's hours being reduced to zero. Leonie will be eligible to apply for JobSeeker Payment and the Coronavirus supplement under the new streamlined process.

Leonie can apply online and make a declaration about her identity, residency status, income and that her hours have been reduced to zero as a result of the Coronavirus.

Leonie is eligible for Jobseeker Payment and will receive $1,171.50 per fortnight, comprising:

- JobSeeker Payment single, with dependent child rate of $612.00 per fortnight; ***plus***
- Energy supplement of $9.50 per fortnight; ***plus***
- Coronavirus supplement of $550 per fortnight.

Leonie will also receive Family Tax Benefit Part A and Part B of $483 a fortnight.

Having recently left employment, Leonie is already job ready.

An employment service provider will look to match Leonie's skills with available opportunities (for example, in another call centre) so Leonie's skills can be used in another industry and Leonie can get another job quickly.

Example

Chris is a sole trader running an architecture practice that specialises in home renovations. Chris's practice has been successful over the years, and he has been able to build up a reasonable amount of assets to a level that would ordinarily make him ineligible for an income support payment.

The Coronavirus has adversely affected Chris's business, and his income has been reduced to zero.

Chris will be able to apply for the new JobSeeker / Coronavirus supplement and will not have his assets included as part of the eligibility assessment for the payment. He will also not be required to serve a Liquid Asset test Waiting Period, as this has been waived.

Chris is eligible for the Jobseeker payment and, as he is married (and his partner does not earn more than $25,000 per annum), will receive:

- JobSeeker Payment partnered rate of $510.80 per fortnight; ***plus***
- Energy supplement of $7.90 per fortnight; ***plus***
- Coronavirus supplement of $550 per fortnight.

This brings Chris's total fortnightly income support payment to $1,068.70.

FOR MORE INFORMATION

For more information on the Australian Government's Economic Response to the Coronavirus visit treasury.gov.au/coronavirus.

Businesses can visit business.gov.au to find out more about how the Economic Response complements the range of support available to small and medium businesses.