



# Extension of additional income support for individuals

The Government has extended income support for individuals to continue to assist them during the COVID-19 pandemic.

## Extending and adjusting the Coronavirus Supplement

### Summary

The Government has extended the payment period of its temporary Coronavirus Supplement from 25 September 2020 to 31 December 2020. The amount of the Coronavirus Supplement has been adjusted for this period to reflect the gradually improving economic conditions. The Government is also improving incentives and gradually reintroducing obligations for payment recipients to seek work.

### Extended Coronavirus Supplement

The Government is continuing to pay the Coronavirus Supplement to eligible income support recipients until 31 December 2020. The amount of the Supplement has been adjusted to reflect the gradually improving economic and labour market conditions.

- From 25 September 2020 to 31 December 2020, the Supplement amount is \$250 per fortnight.

Both existing and new recipients of eligible payments will continue to be paid the Coronavirus Supplement.

The income support payment recipients eligible to receive the Coronavirus Supplement remain the same:

- JobSeeker Payment (and all payments transitioning as a result of JobSeeker Payment)
- Youth Allowance
- Parenting Payment (Partnered and Single)
- Austudy
- ABSTUDY Living Allowance
- Farm Household Allowance
- Special Benefit
- eligible New Enterprise Incentive Scheme participants
- Department of Veterans' Affairs Education Schemes

Anyone who is eligible for the Coronavirus Supplement will receive the full rate of the Supplement during the relevant time period.

## Adjusted income taper test

Changes have been made to the JobSeeker Payment and Youth Allowance (other) income tests to improve incentives for individuals to re-enter the workforce or take on additional work as the economy recovers.

From 25 September 2020 until 31 December 2020, the income free area for JobSeeker Payment and Youth Allowance (other) has increased from \$106 per fortnight for JobSeeker Payment and \$143 per fortnight for Youth Allowance (other) to \$300 per fortnight for both.

This means that recipients of these payments can earn income of up to \$300 per fortnight and still receive the maximum payment rate of JobSeeker Payment or Youth Allowance (other).

The previous JobSeeker Payment income test of 50 cents for each dollar between \$106 and \$256 per fortnight, and 60 cents for every dollar over \$256 per fortnight, has been replaced with a single income test of 60 cents for every dollar of income earned above \$300 per fortnight.

For Youth Allowance (other) the income test of 50 cents for each dollar between \$143 and \$250 per fortnight, and 60 cents for every dollar over \$250 per fortnight, has also been replaced with a single income test of 60 cents for every dollar of income earned above \$300 per fortnight.

The Coronavirus Supplement remains outside the income test, meaning that anyone eligible for the Coronavirus Supplement will receive the full rate of the Supplement.

A lower income taper rate of 40 cents in the dollar continues to apply for JobSeeker Payment recipients who are principal carer parents. The current income free area for principal carer parents also continues to apply.

## Access to payments

Access to payments has changed from 25 September 2020 to ensure appropriate targeting of income support as the economy recovers.

- **Means testing** — From 25 September 2020, means testing has been reinstated in the following ways:
  - asset testing for all payments has been reinstated, for both existing and new recipients; and
  - the Liquid Assets Waiting Period (LAWP) for all payments has been reinstated.
- **Partner income testing** — the partner income test cut-out has increased to \$3,086.11 per fortnight, or \$80,238.89 per annum, for individuals with no personal income, from 25 September 2020. The taper rate has increased from 25 cents to 27 cents, with the higher income cut-out a result of changes to income testing for JobSeeker Payment.

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- **Expanded criteria** — JobSeeker Payment and Youth Allowance (other) criteria will continue to provide payment access for permanent employees who are stood down or lose their employment and sole traders, the self-employed, casual workers and contract workers who meet the income and assets tests until 31 December 2020.
- **Reduced waiting times** — The Ordinary Waiting Period, Newly Arrived Resident's Waiting Period (NARWP) and the Seasonal Work Preclusion Period will continue to be waived until 31 December 2020.
  - When the Coronavirus Supplement ceases, those people who were serving a NARWP will continue to serve the remainder of their waiting period, but the time the person was receiving the Coronavirus Supplement will count towards their NARWP. Residency requirements still apply.
  - Income Maintenance Periods and Compensation Preclusion Periods will continue to apply.

## Reintroduction of job-seeking requirements

Job seekers' mutual obligation requirements were suspended from 24 March 2020 until 8 June 2020. During this time unemployment payment recipients were not required to attend appointments, look for work or participate in activities.

The gradual reintroduction of mutual obligation requirements commenced on 9 June 2020. No payment suspensions or penalties applied during the first phase.

From 4 August, job seekers were expected to participate in appointments with providers, agree to a Job Plan, undertake up to four job searches per month, and attend activities if it is safe to do so. No payment suspensions or financial penalties were applied for not meeting these requirements except when an offer of suitable employment was refused without a reasonable excuse.

From 28 September, mutual obligations have returned for all job seekers except for job seekers in Victoria.

Job seekers may be subject to income support payment suspensions or penalties if mutual obligation requirements are not met and there is no valid reason.

When determining a job seeker's mutual obligation requirements, an employment services provider will take into consideration the jobseeker's capacity to comply with requirements, advice from health authorities and the state of the local labour market.

Mutual obligations requirements for jobseekers in Victoria will continue to have no penalties or suspensions until further notice.

## Timing

The Coronavirus Supplement is \$250 per fortnight from 25 September 2020 until 31 December 2020.

Changes to the income test for JobSeeker Payment and Youth Allowance (other), including the income free area and taper rate, took effect on 25 September 2020 and apply until 31 December 2020.

The partner income test taper rate increased to 27 cents on 25 September 2020 until 31 December 2020.

- The partner income test taper rate was previously 60 cents in the dollar until 26 April 2020, when it was temporarily relaxed to 25 cents in the dollar.

The assets test and LAWP have been reinstated since 25 September 2020.

## Timing — Additional payment

Eligible entities who received initial cash flow boosts will receive additional cash flow boosts, for the periods June to September 2020, equal to the total amount of initial cash flow boosts received. This will be delivered in either two or four instalments depending on the reporting period.

## Smoothing the transition from JobKeeper to JobSeeker

Changes to the JobKeeper Payment may make recipients of that payment eligible for the JobSeeker Payment or other income support payments. The Government is making further changes to income support arrangements for JobKeeper Payment recipients who transition onto income support.

Income support recipients earning above their income test cut-off point and on a nil rate of income support will be able to continue to keep their concession card and return seamlessly to income support if their earnings reduce below their cut-off point.

Services Australia will allow recipients of the JobKeeper Payment to apply for income support ahead of the cessation of their JobKeeper Payment to ensure individuals can quickly access income support after their access to the JobKeeper Payment ends.

## For more information

For more information on the Australian Government's Economic Response to the Coronavirus visit [treasury.gov.au/coronavirus](https://treasury.gov.au/coronavirus).

