



# The JobKeeper Payment and Early Access to Super.

## JobKeeper Payment Scheme.

The Federal Government's recently announced \$130 billion JobKeeper payment, to help keep more Australians in jobs and support businesses affected by the significant economic impact caused by the Coronavirus (COVID-19), has now been enacted.

Eligible employers who elect to participate in the JobKeeper scheme will be able to claim a fortnightly payment of \$1,500 per eligible employee on their books as at 1 March 2020. Employer eligibility is based on the size of the turnover of the business. Not-for-profit entities, including charities, and self-employed individuals (i.e. businesses without employees) that meet the applicable turnover tests are eligible to apply for JobKeeper Payments too.

Employers who elect to access the scheme will receive payments in the first week of May 2020, back-dated to 30 March 2020. The payments will be available for a maximum period of approximately six months.

The \$1,500 per fortnight payment will be made available to employees who:

- Were employed as at 1 March 2020 and continue to be engaged by the employer
- Are full-time and part-time employees, and casual employees who are employed on a regular and systematic basis for the previous 12 months
- Are Australian citizens, permanent residents or the holder of a permanent visa, a protected special category visa, a non-protected special category visa who has been residing continually in Australia for 10 years or more, or a New Zealander on a special category (subclass 444) visa. Further information about eligibility relating to visa and residency is available at [treasury.gov.au/coronavirus/jobkeeper](https://treasury.gov.au/coronavirus/jobkeeper)

## A growing suite of options

The JobKeeper Payment is the latest in a series of measures to help maintain the Australian economy during this unprecedented event. Members should consider the impact that each of these measures may have on their personal circumstances. To date, the Federal Government has:

- Introduced two one-off \$750 payments to those receiving social security, veteran support, and other income support payments
- Temporarily broadened the eligibility criteria for access to social security payments (available now)
- Temporarily increased the base payment for jobseekers and students by \$550 per fortnight (available now)
- Extended temporary early access to superannuation for those in financial hardship due to the Coronavirus pandemic (applications now open)
- Called for a moratorium on rental evictions for six months (with States and Territories implementing separate arrangements for this), and
- Introduced the JobKeeper Payment of \$1,500 a fortnight per eligible employee for distribution by employers (Payments commence May 2020, backdated to 30 March).

Members should consider the impact that each of these measures may have on their personal circumstances. Visit [hostplus.com.au/covid19](https://hostplus.com.au/covid19) for further information.

## Temporary early access to superannuation.

The Federal Government is allowing individuals affected by the COVID-19 crisis to access up to \$10,000 of their superannuation in the 2019-20 financial year and up to a further \$10,000 in the 2020-21 financial year.

While superannuation helps people save for retirement, the government recognises that for those significantly financially affected by the COVID-19 crisis, accessing some of their superannuation today may outweigh the benefits of maintaining those savings until retirement.

Eligible Australian and New Zealand citizens or permanent residents will be able to apply online through myGov to access up to \$10,000 of their superannuation before 1 July 2020. They will also be able to access up to a further \$10,000 from 1 July 2020 until 24 September 2020.

The government has also announced that eligible temporary residents will be able to apply to access up to \$10,000 of their super before 1 July 2020.

Hostplus fully supports the Federal Government's initiative to provide an early access arrangement for those in most need to do so, however we strongly encourage you to also fully explore all the hardship-related options that might be available to you, including government support such as Centrelink benefits and payments. You should do so bearing in mind your individual circumstances, including your long-term financial situation, objectives and needs.

While some members will undoubtedly benefit from a financial boost today, you need to consider the real cost to your future. Independent modelling shows \$10,000 withdrawn today by a 35-year-old, followed by another \$10,000 withdrawal in July 2020, could see as much as a \$85,000 less in their super at age 67\*.

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**i Applications commence 20 April 2020 and will be processed by the ATO, not Hostplus.**

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**Australian and New Zealand citizens or permanent residents** must satisfy one or more of the following requirements:

- You are unemployed;
- You are eligible to receive a job seeker payment, youth allowance for jobseekers (unless you are undertaking full-time study or are a new apprentice), parenting payment (which includes the single and partnered payments), special benefit or farm household allowance; or
- On or after 1 January 2020:
  - you were made redundant; or your working hours were reduced by 20 per cent or more (including to zero); or
  - if you are a sole trader – your business was suspended or there was a reduction in your turnover of 20 per cent or more.

**Temporary residents** must satisfy one or more of the following requirements:

- You hold a student visa which you have held for 12 months or more and you are unable to meet immediate living expenses
- You are a temporary skilled work visa holder, your working hours have reduced to zero and you remain engaged with your employer
- You are a temporary resident visa holder (excluding student or skilled worker visas) and you cannot meet immediate living expenses.

### Impact of early access on insurance

It's also important for members to consider the possible impact early access to their superannuation may have on any automatic insurance provided as a part of their Hostplus membership. For more information on how early access could impact your insurance, including what happens if your employer pays your insurance premiums visit [hostplus.com.au/covid19](https://www.hostplus.com.au/covid19)



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