

LODGE CLAIMS BEFORE 14 APRIL FOR \$750 CORONAVIRUS PAYMENT

FACT SHEET

Colonial
First State

FirstTech Coronavirus Fact Sheet
31 March 2020

As part of the Government's economic response to the Coronavirus, two separate \$750 payments will be made to eligible Centrelink or DVA income support recipients, and eligible concession card holders.

To be eligible to receive the first \$750 payment, clients who are not already receiving an eligible payment or concession card need to lodge an intent to claim with Centrelink before 14 April. Centrelink have introduced a new faster claim process that does not require clients to have a Customer Reference Number (CRN) to register an intent to claim.

It is not clear at this stage whether those who will be eligible for the new wage subsidy called "JobKeeper Payment" that was announced yesterday will be eligible to retain the \$750 payment, however registering an intent to claim will ensure they do not miss out.

Eligibility – First \$750 payment

To qualify for the first \$750 coronavirus support payment, an individual must be:

- 1) residing in Australia, and
- 2) receiving an eligible income support payment or hold an eligible concession card such as the Pensioner Concession Card or the Commonwealth Seniors Health Card **at any time from 12 March to 13 April 2020**. Please refer to the Appendix for a list of eligible income support payments and concessions cards.

For those who already receive an eligible income support payment or hold an eligible concession card during this period, the \$750 payment will be made automatically from 31 March.

On the other hand, if an individual's job or business has been affected due to the Coronavirus pandemic and they are thinking about getting support from Centrelink, they must either lodge a full claim or at least register their intention to claim before 14 April 2020 to qualify for the first \$750 payment. Please note that an eligible payment or concession card needs to be granted by Centrelink in due course for the first \$750 to be paid.

If an individual who is otherwise eligible fails to lodge a full claim or register their intention to claim before 14 April 2020, they will miss out on the first \$750 payment.

Faster claim process

On 25 March, Centrelink introduced new functionality to allow clients to register their intention to claim a Centrelink payment through myGov with or without a Centrelink Customer Reference Number (CRN).

Up until last Wednesday (25 March 2020), an individual needed to have a CRN to be able to apply for payments and services, or create an online account through myGov to lodge a claim.

If an individual received payment from Centrelink in the past, including those who are receiving or received Child Care Subsidy (previously Child Care Benefit and Child Care Rebate), they would already have a CRN. However, for many people who have never dealt with Centrelink before, they needed to either phone Centrelink or go to a Centrelink service centre with photo ID and a range of other documents to prove identify to get their CRN.

Due to the large demand it was very difficult to get through to Centrelink. As a result, from 25 March Centrelink now allows individuals to register their intention to claim through myGov without the need to have a CRN.

Under this new functionality, individuals without a CRN are able to register their intention to claim if they have a myGov account. Many people already have a myGov account to deal with Government agencies such as

Medicare or the Australian Taxation Office. However if a person does not already have a myGov account, it's a relatively easy process to register for one. Once this is done, the affected individual can follow the instructions on the myGov Welcome screen to register their intention to claim.

When registering, the applicant needs to agree to share their contact details in myGov with Centrelink. Centrelink will then contact the person to let them know the next steps.

For those who already have a CRN, they can link their myGov account to Centrelink online services if they haven't already done so. They can then sign in to myGov and either:

- Start the claim in their Centrelink online account, or
- Register their intention to claim following the instructions on the myGov Welcome screen.

Backdating qualifying payments

Due to difficulties in contacting Centrelink to make a claim before 29 March, Centrelink have introduced backdating provisions. Where an intent to claim was made between 23 and 29 March and a full claim submitted by 19 April 2020, Centrelink will backdate the income support payment to 23 March 2020, if the payment is subsequently granted.

Where an intent to claim is made from 30 March 2020, if granted, Services Australia have indicated¹ that "we'll backdate your payment" – presumably this means that payments will be backdated to the date the intent to claim has been made.

Confusion about timing

As part of the Coronavirus measures, access to income support payments such as Jobseeker Payment and Youth Allowance Jobseeker was expanded.

Under this expanded access, people who have been stood down, lost their job or suffered a reduction in working hours or turnover as a result of the economic downturn due to Coronavirus may be eligible for payment. Also a person required to care for someone who is affected by the Coronavirus may also be eligible.

In addition, a number of waiting periods and the assets test was waived for JobSeeker Payment, Youth Allowance and Parenting Payment (partnered and single).

However there was confusion as to when this expanded eligibility criteria commenced.

In the Government's original 'Income support for individuals' factsheet that accompanied their second announcement on 22 March, the Government indicated that expanded access commenced from 27 April 2020.

However, the final legislation resulted in the expanded access criteria applying from an earlier start date of 25 March. As a result, clients who are considering applying

for JobSeeker Payment, Youth Allowance and Parenting Payment (partnered and single) may be eligible from 25 March, resulting in eligibility for the first \$750 support payment if they lodge their intent to claim before 14 April.

What about the income test?

The income test still applies for JobSeeker Payment, Youth Allowance and Parenting Payment (partnered and single).

However the Government announced on 30 March that they are changing the income test for those with a partner. The exact details have not yet been provided however they did announce that the taper rate will be changed and "would extend out to what would be an annual income for the partner of \$79,762 per annum, which will broaden the access to that payment for people in that situation whose partners previously were earning around about \$48,000."

As a result, those who would qualify under the extended partner income test may wish to consider registering their intent to claim a Centrelink payment.

JobKeeper Payment

Yesterday, the Federal Government announced a new wage subsidy scheme called JobKeeper Payment.

This payment is effectively a wage subsidy paid to employers who retain their eligible employees and pay them at least \$1,500 per fortnight.

It is not clear at this stage whether someone who lodges an intent to claim before 14 April and subsequently receives the \$750 payment will be eligible to retain the payment if they subsequently receive JobKeeper Payment, however registering an intent to claim will ensure they do not miss out if they are eligible to retain the payment.

¹ <https://www.servicesaustralia.gov.au/individuals/subjects/affected-coronavirus-covid-19/if-you-need-payment-coronavirus-covid-19/how-register-your-intention-claim-centrelink-payment-coronavirus-covid-19>

Appendix - Eligible income support payments or concession cards for the first \$750 payment

An individual must be receiving one of the following payments, or hold one of the following concession cards, or have lodged a claim between 12 March 2020 to 13 April 2020 and the claim is subsequently granted, to qualify for the first 750 economic support payment:

- Age pension
- Disability support pension
- Carer payment
- Parenting payment
- Wife pension
- Widow B pension
- ABSTUDY (living allowance)
- Austudy
- Bereavement allowance
- Newstart allowance
- JobSeeker Payment
- Youth allowance
- Partner allowance
- Sickness allowance
- Special benefit
- Widow allowance
- Family tax benefit (including double orphan pension)
- Carer allowance
- Pensioner Concession Card (PCC) holders
- Commonwealth Seniors Health Card holders
- Veteran Service Pension; Veteran Income Support Supplement; Veteran Compensation payments, including lump sum payments; War Widow(er) Pension; and Veteran Payment.
- DVA PCC holders; DVA Education Scheme recipients; Disability Pensioners at the temporary special rate; DVA Income support pensioners at \$0 rate.
- Veteran Gold Card holders
- Farm household allowance

FirstTech Comment

Unfortunately if an individual only holds a Low Income Health Care Card, they do not qualify for the \$750 coronavirus support payments.

How to contact us

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