



**COVID-19  
THE A FIRM  
UPDATE  
WEEK  
ENDING  
10/04/2020**



**In this update**

- JobKeeper Payment
- Employees working from home
- Commercial Tenancy Code of Conduct for Landlords and Tenants

# JobKeeper

The Government has announced a \$130 billion JobKeeper payment to help keep more Australians in jobs and support businesses affected by the significant economic impact caused by the Coronavirus. Around 6 million workers will receive a fortnightly payment of \$1,500 (before tax) through their employer. The payment ensures eligible employers remain connected to their workforce and will help businesses restart quickly when the crisis is over.

**Fact Sheet;** [https://treasury.gov.au/sites/default/files/2020-04/Fact\\_sheet\\_supporting\\_businesses\\_0.pdf](https://treasury.gov.au/sites/default/files/2020-04/Fact_sheet_supporting_businesses_0.pdf)

**Frequently asked questions;** [https://treasury.gov.au/sites/default/files/2020-04/JobKeeper\\_frequently\\_asked\\_questions\\_0.pdf](https://treasury.gov.au/sites/default/files/2020-04/JobKeeper_frequently_asked_questions_0.pdf)

## Information for employers

If your business has been significantly impacted by the Coronavirus you will be able to access a wages subsidy to continue paying your employees. Under the JobKeeper program, you will be able to claim a fortnightly payment of \$1,500 per eligible employee from 30 March 2020. This assistance will help you keep staff and restart when the crisis is over.

**Fact sheet;** [https://treasury.gov.au/sites/default/files/2020-04/Fact\\_sheet\\_Info\\_for\\_Employers\\_0.pdf](https://treasury.gov.au/sites/default/files/2020-04/Fact_sheet_Info_for_Employers_0.pdf)

## Information for employees

The JobKeeper payment helps businesses significantly impacted by the Coronavirus cover the costs of their employees' wages, so more Australians can retain their jobs and continue to earn an income. Your employer will notify you if they intend to claim the fortnightly payment of \$1,500 on your behalf.

**Fact sheet;** [https://treasury.gov.au/sites/default/files/2020-04/Fact\\_sheet\\_Info\\_for\\_Employers\\_0.pdf](https://treasury.gov.au/sites/default/files/2020-04/Fact_sheet_Info_for_Employers_0.pdf)

# Employees working from home

As the situation around COVID-19 continues to develop, we understand you may now be working from home and you may incur expenses that you can claim at tax time.

To claim a deduction for working from home, all of the following must apply:

- You must have spent the money.
- The expense must be directly related to earning your income.
- You must have a record to prove it.

This means you cannot claim a deduction for items provided by your employer or if you have been reimbursed for the expense.

If you are not reimbursed by your employer, but instead receive an allowance from them to cover your expenses when you work from home, you:

- must include this allowance as income in your tax return.
- can claim a deduction as outlined in this fact sheet.

## Expenses you can claim

If you work from home, you will be able to claim a deduction for the additional running expenses you incur. These include:

- electricity expenses associated with heating, cooling and lighting the area from which you are working and running items you are using for work
- cleaning costs for a dedicated work area
- phone and internet expenses
- computer consumables (for example, printer paper and ink) and stationery
- home office equipment, including computers, printers, phones, furniture and furnishings - you can claim either the:
  - full cost of items up to \$300
  - decline in value for items over \$300.

We understand that tracking all of these expenses can be challenging at this time. So we will accept a temporary simplified method (or shortcut method) of calculating additional running expenses for the period starting 1 March 2020 until at least 30 June 2020. We may extend this method, depending on when work patterns start to return to normal.

## Expenses you can't claim

If you are working from home only due to COVID-19, you:

- cannot claim occupancy expenses such as mortgage interest, rent and rates
- cannot claim the cost of coffee, tea, milk and other general household items your employer may otherwise have provided you with at work.

## Calculating running expenses

There are three ways you can choose to calculate your additional running expenses:

- shortcut method — claim a rate of 80 cents per work hour for all additional running expenses
- fixed rate method — claim all of these:
  - a rate of 52 cents per work hour for heating, cooling, lighting, cleaning and the decline in value of office furniture,
  - the work-related portion of your actual costs of phone and internet expenses, computer consumables, stationery, and
  - the work-related portion of the decline in value of a computer, laptop or similar device.
- actual cost method — claim the actual work-related portion of all your running expenses, which you need to calculate on a reasonable basis.

For more information on how to calculate and claim a deduction under the actual cost method or fixed rate method see Home office expenses.

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# Relief for commercial tenants

The Government has announced a range of measures to help renters. This includes a temporary hold on evictions and a mandatory code of conduct for commercial tenancies to support small and medium sized enterprises (SMEs) affected by coronavirus.

## Hold on evictions for renters

Evictions will be put on hold over the next 6 months for commercial and residential tenants in financial distress, who are unable to meet their commitments due to the impact of the coronavirus.

## Code of conduct for commercial tenancies

A mandatory code of conduct outlines a set of good faith leasing principles for commercial tenancies including:

- Retail
- Office
- Industrial

between

- Owners
- Operators
- Other Landlords
- Tenants

This code applies to tenants that are;

- a small to medium sized business with an annual turnover of up to \$50 million
- eligible for the JobKeeper Payment.

Rent reductions will be based on the tenant's decline in turnover to ensure that the burden is shared between landlords and tenants. The policy will include a mutual obligation requirement on the small and medium sized businesses and not-for-profit tenants to continue to engage their employees through the JobKeeper Payment where eligible, and if applicable, provide rent relief to their subtenants. Australian and foreign banks, along with other financial institutions operating in Australia, are expected to support landlords and tenants with appropriate flexibility as they work to implement the mandatory Code. The Government is also waiving rents for all its small and medium enterprises and not-for-profit tenants within its owned and leased property across Australia. The code and its principles will be implemented and regulated by your relevant state or territory.

## Principles of the code

The code includes a common set of 14 principles. These include that:

- landlords must not terminate leases for non-payment of rent during the COVID-19 pandemic (or reasonable recovery period)
- tenants must stay committed to their lease terms (subject to amendments)
- landlords must offer reductions in rent (as waivers or deferrals) based on the tenant's reduction in trade during COVID-19
- benefits that owners get for their properties (e.g. reduced charges, land tax, deferred loan payments) should be passed on to the tenant (in the appropriate proportion)

