

Business Update - CashFlow Boost

PAYGW Cashflow Boost

What are the facts as of today? (20th May)

The Basics

In the simple and clean cases

- Businesses that were already employers and paying PAYGW
- The Business must lodge the March monthly or quarterly BAS that includes the PAYGW.
- First Component: The ATO will
 - o automatically calculate the amount of the first CFB amount
 - \$10k minimum, \$50k maximum
 - being equal to the amount of PaygW on the Quarter ended 31 March or
 - 3 times the PAYGW on the March monthly BAS
 - o apply that amount to pay-off any amounts due on the March BAS
 - o automatically refund any excess balance to the employers' bank account
 - o April, May, June Monthly BAS or the Quarter to 30 June BAS may generate additional payments to reach the minimum \$10k for this component and up to the maximum of \$50k.
- Second Instalment:
 - o Quarterly lodgers will receive an amount being 50% of the total of the first component following lodgment of the June Quarter & then another 50% following lodgment of the September Quarter Activity Statement.
 - o Monthly lodgers will receive amounts being 25% of the total of the first component following lodgment of each of the June, July, August and September Monthly Activity Statements.

The Facts

- The receipt of the CFB amounts are NOT assessable income and do not include GST
- Eligible businesses:
 - o Turnover below \$50m
 - o Held an ABN as of 12th March 2020
 - o Had payments to employees that are subject to withholding (even if withholding was zero)
 - o Can prove you had taxable sales before 12 March (ie lodged 2019 tax return, lodged activity statements for tax period 1/7/18 to 12/3/20 or other)
- ATO systems are checking entity eligibility
- Employers may need to ring the ATO to generate the CFB as the system appears to hold some payments until further investigation has been requested.
- A new ATO system implemented on 17th May has begun checking all blocked employers for eligibility.
- You should ring the ATO if the CFB amount is not instantly applied when lodging through ATO Online Services or the credit is not showing on the "Activity Statement Account".