



Dear Chief Executive Officer

New Business Assistance with NEIS – Coronavirus (COVID-19) Supplement

I am writing to advise you of important changes to the New Business Assistance with NEIS program, in particular relating to NEIS Allowance.

As you know, the Australian Government has agreed to a temporary change to the NEIS Program that will allow NEIS Participants to access the JobSeeker Payment, including the COVID-19 Supplement, while participating in the NEIS Program. This will provide an extra \$550 per fortnight from 27 April 2020.

NEIS Program arrangements will change temporarily so that:

- existing NEIS Allowance recipients may choose to cease receiving NEIS Allowance and apply for income support through Services Australia; and
- income support recipients starting NEIS will have a choice to stay on their current income support payment or transfer to NEIS Allowance

NEIS providers should have a conversation with their existing NEIS Participants about the option to remain on NEIS Allowance, which has the benefit of ensuring that the rate of payment is not affected by the earnings a participant makes through their NEIS Business.

If an existing NEIS Participant does want to cease receiving NEIS Allowance, they can do so at any time before the 39 week payment period ends, while continuing to participate in the NEIS Program.

NEIS providers should also have a conversation with each new participant about whether they prefer to remain on their current income support payment (to potentially qualify for the COVID-19 Supplement) or to move onto NEIS Allowance. If a participant does wish to transfer to NEIS Allowance, this can be actioned by contacting the NEIS Payroll Hub. Please refer to the *Taking up the option to transfer to NEIS Allowance* section of the *Support NEIS Participants to start and run their small business* Guideline (the NEIS Guideline) for more information.

This temporary measure will be in place for as long as the COVID-19 Supplement is available, which is currently six months. It is expected that the original NEIS Guideline rules will then apply.

Directions

To support the implementation of this change, the Department directs your organisation to take the following action as a matter of priority:

- contact existing NEIS Participants on NEIS Allowance where appropriate, to advise them of their choice to remain on NEIS Allowance or to end their NEIS Allowance and potentially qualify for income support payments and the Coronavirus supplement, while continuing to participate in the NEIS Program; and
- advise prospective NEIS Participants about their choice to remain on their current income support payment or move onto NEIS Allowance when they commence in NEIS.

Note that in both circumstances, NEIS Providers must clearly outline that, while receiving NEIS Allowance, a NEIS Participant's payment is not affected by the amount of income they are earning from their NEIS business.

Further instruction is attached to this letter for processing the change in the *Operational advice for NEIS providers*.

Change to NEIS Guidelines

This letter is issued as a Notice under clause 11.1(b) of the jobactive Deed 2015-2022, advising that the NEIS Guideline is being amended to include the following statement under the heading "Payment of NEIS Allowance and NEIS Rental Assistance" and the subheading 'Coronavirus (COVID-19) Supplement':


Despite any provision in this Guideline to the contrary, for the period of the Coronavirus (COVID-19) Supplement, existing NEIS Participants may choose to end their NEIS Allowance and apply for an eligible income support payment to potentially qualify for the COVID-19 Supplement, while continuing to participate in the NEIS Program. Any prospective NEIS Participants may choose to transfer to NEIS Allowance or to remain on their current income support payment so as to continue to receive the COVID-19 Supplement. When discussing this option with NEIS Participants, NEIS Providers must clearly outline that the amount of NEIS Allowance that a NEIS Participant receives is not affected by income from their NEIS business, whereas certain income support payments are subject to an income test and that income from the NEIS Participant's NEIS business may affect the amount of income support payments they receive.

Economic response

This change responds to the Government's economic plan to support Australian households and businesses. Further information can be found at www.treasury.gov.au/coronavirus.

I appreciate your assistance during this unprecedented time. Please continue to follow any advice issued from the Department of Health to ensure the ongoing safety of your workforce and Participants.

Yours sincerely



Robyn Shannon

3 April 2020