

# Helping our customers understand the options available to them.

**Coronavirus: Here's What You Can Do.**

Coronavirus is a serious health issue, with a substantial societal response required to contain the risk.

A range of measures have been designed to effectively pause parts of the economy, helping individuals and businesses do their part to limit the spread of coronavirus and then restart quickly once the coronavirus is under control.

Financial support is available to help impacted individuals and businesses through this time, so that we can get back to normal. Here are the available options, as at 06 April 2020.



## Has your business been forced to shut down or seen a significant decrease in revenue? Here's what you can do.

**You can defer loan repayments:** You can defer your repayments on your eligible small business loans for up to six months. For eligible CommBank business customers with lending limits up to \$5 million, repayments on BetterBusiness loans and Asset Finance Equipment Loans will be automatically deferred for April-June 2020, and you can receive a further three-month deferral if needed. Any direct debits will be paused and if you make repayments yourself, you are no longer required to do so. We'll communicate with our customers about how they can make repayments if they do not wish to be covered by the auto-enrolment. For eligible CommBank business customers with lending limits between \$5-10 million, customers can opt-in to defer repayments on business loans for six months from April 2020. Depending on your repayment type, we will either extend the loan term at the end of the deferral period so that repayments are in line with what is currently being paid, (regardless of any interest rate changes during the deferral period) or, for interest only loans, we will add the deferred interest and any fees to the principal of the loan balance at the end of the deferral period. This amount won't need to be repaid until the maturity of the loan. For more information regarding repayment deferral arrangements, visit [coronavirus support for business customers](#).

**You can take measures to look after your employees:** As you know, your employees are among your most valuable assets and being prepared to hit the ground running once the crisis passes is critical. This means taking steps to keep them safe and maintain essential services. It also means continuing to pay them if you can afford to. There are two alternatives by which employers can provide financial support to their employees:

- **New JobKeeper Measures:** If your revenue has declined by 30% or more due to coronavirus you may be eligible to apply for the JobKeeper Payment which would see the Government pay \$1,500 per fortnight for each of your full time, part time or long-term casual employees for up to 6 months. You would be obliged to forward the payment, keep them employed (although they can be stood down) and fund any of the difference to their usual wage if they have not been stood down. You can register at <https://www.ato.gov.au/general/gen/JobKeeper-payment/>.
- **Stand Down Measures:** Under certain conditions you may be able to [stand employees down](#), allowing them to stay on the books and accrue annual leave, without you having to pay a wage. This will assist in allowing you to quickly restart your business when the coronavirus passes. If you are eligible, you can still apply for the JobKeeper Payment, allowing you to continue to pay each eligible employee that has been stood down \$1,500 per fortnight. Otherwise, once employees have exhausted their leave entitlements, they may be eligible to receive a JobSeeker Payment, which has been increased by \$550 per fortnight, or other Government income support. This will in many cases be preferable to redundancy, because it will help keep your employees connected to your business so that you can start up more quickly in the future.

**You can boost cash flow:** From 28 April 2020, the Australian Taxation Office will begin automatically crediting your BAS (for businesses and NFPs with <\$50m revenue), with a payment equal to 100% of tax withheld on your salary and wages, between \$10,000 and \$50,000 with a further payment available in the July-October period. For CommBank small and medium-sized business customers with less than \$50 million annual turnover, you can apply for an unsecured loan of up to \$250,000<sup>2\*</sup> (lending criteria applies) with no establishment fees, no account fees and no repayments required for up to six months. For the first six months, interest will be deferred<sup>1</sup> and capitalised at a reduced variable rate from 4.5% p.a. From six months, over the remaining term of the loan, amortising principal and interest repayments will be required to be made.

**You can reduce rates and fees:** For CommBank small business and community customers we're providing additional flexibility by reducing interest rates by 1.00% p.a. on small business loans, which will come into effect on 3 April 2020. You can also access a range of other options available to businesses most affected, including waiving the terminal rental and eCommerce fees from March-May for EFTPOS and eCommerce facilities for merchant businesses impacted by Government restrictions and, waiving early redraw fees on business term deposit accounts.

**You can seek rent and utility relief:** Many utility providers have also launched relief measures. Speak to your specific provider about temporary relief. Talk to your landlord about what may be possible for rental relief.

**You can be assured that your personal liability won't be impacted:** Legislation has temporarily been relaxed so Directors will not be personally liable for insolvent trading where debts are incurred in the ordinary course of business. You will still need to repay debts taken out, but can take steps to protect your business through this period. You can find out more at [business.gov.au](http://business.gov.au).



## Have you been stood down by your employer or had your income significantly reduced? Here's what you can do.

**You can seek clarity:** Being stood down is a temporary measure that means you remain employed but unpaid for the period of time that you do not perform your duties, but are not paid your usual wage. You will continue to accrue annual leave. You can learn more at [fwc.gov.au](https://www.fwc.gov.au).

**You can seek JobKeeper or JobSeeker support:** If you were a full time, part time or long-term casual (over 12 months) employee, contact your employer to check whether they intend to register for the JobKeeper payment for you. If they are intending to register, then they will be able to continue paying you a wage of at least \$1,500 per fortnight. Otherwise, if your income has fallen below a certain level, you may be eligible for the JobSeeker payment or other Government income support. You can apply at [my.gov.au](https://my.gov.au). If you have already made a JobSeeker application and may now be eligible for the JobKeeper payment, do not withdraw your application, the relevant Government agencies will contact you if your JobSeeker claim needs to be stopped in favour of the new JobKeeper allowance from your employer.

**You can continue to seek employment:** Many businesses have increased demands at this time. If you have been stood down or had your hours reduced and you find other work you can take that job. As long as you are not employed as a full-time permanent employee this will not require you to resign from your original job. Your Government support will be adjusted based on the income you receive.

**You can defer your home loan repayments:** You can free-up cashflow by requesting to defer your home loan repayments for 6 months. During this time, interest and fees will add to your loan balance, and after the 6 months has ended, your loan term will be extended so your repayments don't increase because of the deferrals. Any available redraw will be used first during the 6 months, unless you specifically move it to another account in order to provide extra cashflow. We'll also make a one-time payment to you, offsetting any interest charged on the interest. The payment will vary depending upon your loan balance and interest rate.

**You can seek certainty with our fixed home loan interest rates:** 2.29% p.a.<sup>3</sup> interest rate (3.99% p.a. comparison rate) available to any owner occupier customer – including existing customers who switch – for a one, two, or three year fixed term paying principal and interest with Wealth Package, effective 30 March. Our Fixed rates may now be substantially lower than your current variable rate. Investors also have access to attractive rates that may be lower than the current variable rates. Bear in mind that fixing your rate means that you are signing up for that period and a fee and break costs may be payable if you need to repay your loan early.

**You can receive credit card relief:** If you have missed your credit card minimum repayment in March, CommBank will automatically refund the late fees and interest charges for the month of March – you will not need to do anything to access this refund. This support is focussed on customers who are finding it difficult to meet their current commitments before Government stimulus payments arrive in April and May.

**You can seek rent and utility relief:** You may be eligible for rental assistance from the Government. Talk to your landlord about what else may be possible for further rental relief. The States and Territories have agreed to a 6 month moratorium on the eviction of commercial and residential tenants if they can't pay their tax due to the ongoing crisis. Please continue to speak with your landlord and try to work on measures to help you both during this time. You may also be eligible for an energy subsidy. Many utility providers have also launched relief measures. Speak to your specific provider about temporary relief.

**You can consider accessing superannuation:** As a last resort, if you require further cash during this period, you may be able to access up to \$10,000 of your superannuation in both 2019-20 and 2020-21. Applications for [early release of super](#) will be accepted through [myGov](#) from 20 April. You can register your interest with the ATO now by logging in to your [myGov account](#) and following the 'Intention to access coronavirus support' instructions. You do not need to contact your super fund directly. You will not need to pay tax on these amounts and they will not impact on Centrelink or Veterans' Affairs payments. Consider getting advice before doing this – stock markets have fallen substantially recently, and you may be selling your investments well below previous valuations.

**You can access additional benefits:** Through Benefits finder in the CommBank app, we may be able to find government or other benefits you may be eligible for. We have also recently increased some of our term deposit rates, providing several options to earn a return well above the cash rate. In addition to increasing our 12-month term deposit rate for personal customers for a limited time, CommBank is taking steps to help free up household cashflow for our personal customers.

**You can access free childcare:** The Early Childhood Education and Care Relief Package was announced on 2 April to provide assistance to childcare centres to pay their staff and remain open if they have active enrolments. This boost will enable parents and registered carers to obtain free childcare from approved centres, effective 6 April until 30 June 2020.

**You can seek additional support for your overall wellbeing:** This period of uncertainty may cause stress for many individuals, families, community groups and businesses. It is critically important that you look after your mental wellbeing, as well as your overall financial wellbeing. If you are suffering from heightened stress or any other mental health condition, consult your regular doctor about the appropriate course of care, as you may be eligible for Medicare rebates on psychological services, with additional telehealth services being put in place to ensure they are available for all people requiring them.

**You can seek help as a vulnerable community member if you are at risk of domestic violence:** If you or your family are impacted by family or domestic violence, support is available to you. 1800RESPECT (1800 737 732) is a free national counselling and referral service. All of these calls are confidential and can help provide guidance during a difficult time, if you're unable to call you can also visit [www.1800respect.org.au](https://www.1800respect.org.au) for more information. Alternatively if you're a CommBank customer experiencing a domestic or family violence situation, you can speak to our specialist Community Wellbeing team about your financial needs. For more information visit [commbank.com.au/dv-assistance](https://commbank.com.au/dv-assistance).



## Are you a retiree who has seen their income or superannuation fall? Here's what you can do.

**You can seek additional payments from the government:** You should update your income details online at [servicesaustralia.gov.au](https://servicesaustralia.gov.au) or call the Older Australians line on 132300.

**You can reduce your minimum drawdown rate:** Your minimum drawdown rate on any account-based pension you own will be reduced by 50% and you should consider whether this is right for you given your circumstances. If you have sufficient cash resources this would mean that fewer assets would need to be sold in your superannuation account now, during a time of stock market volatility.

**You can access our increased 12-month term deposit rate:** Go into a CommBank branch (or call 13 2221 for renewing customers) to take advantage of our 12-month term deposit rate. 1.7% p.a. interest rate for personal customers for a 12-month term with interest paid at maturity for balances from \$5,000 to less than \$2,000,000 available from 20 March for a limited time.

**You can make changes to your asset allocations but please think carefully before doing so:** While your income may have reduced significantly, you should think carefully and seek advice prior to making any decisions to alter your overall asset allocation given current market and economic conditions.

**You can take measures to remain safe and secure during this time:** The risk of serious illness from coronavirus increases with age. It is important that you do everything you can to reduce your chances of catching the virus which includes maintaining safe social distance and limiting your exposure to any non-essential environments or groups of people. We understand that some of our customers prefer to come into the branch to do their banking. In light of the Government's announcement around essential services, we are committed to keeping as many of our branches open as possible and also ensuring that our customers and staff are kept healthy and safe. Some of our branches may need to close from time to time and we will keep you updated via our branch locator tool at [commbank.com.au/digital/locate-us](https://commbank.com.au/digital/locate-us). Social distancing will be observed in branch and added measures have been put in place to ensure the branch is kept clean and safe for all. If you have questions about using your Passbook during this time visit [commbank.com.au/passbook](https://commbank.com.au/passbook).

**You can increase your online safety and awareness of scams:** We want you to remain safe and secure online as well. Unfortunately, there are some online scammers that will be seeking to take advantage of the current situation and access your personal information. Please do not share your personal bank details with anyone that contacts you directly. Learn more about how to protect yourself online [here](#).

## There is much that we can do together.

For further information and links to applications, please go to [commbank.com.au/coronavirus](https://commbank.com.au/coronavirus)

You can empower yourself and take charge of your financial wellbeing: Review your financial position. Understand and be realistic about what your income will be during this time. Adjust your expenditure if required so that you can sustain your financial position. Think about what parts of your expenditure are essential expenses that you need, versus discretionary expenses that you want. It can be important to set a budget that helps you manage this over the next 6-12 months if required.



**Things you should know:** As this information has been prepared without having regard for your individual and/or business objectives, financial situation or needs, you should, before acting on this information, consider its appropriateness to your circumstances. This information is current as at 06 April 2020 and is prepared without taking into account your individual and/or business needs and objectives. CommBank has the right to change or cancel this offer at any time without notice. The statements and content of this fact sheet have been sourced from various government publications and summarised. CommBank disclaims, to the extent permitted by law, all warranties, representations or endorsements, express or implied, with regard to the material and does not accept any liability in relation to the quality, operability or accuracy of the material.

1. There are implications associated with repayment deferrals including that interest and any fees will be added to the outstanding balance in accordance with the contract and capitalised over the remaining term of the facility. This may mean that the total amount of interest payable will be more than it would have been under the original contract term if payments are deferred.

2. These products are for a maximum loan term of three years and are only available to approved business customers for working capital purposes only (not asset purchases or refinancing of existing debt). Applications for finance are subject to the Bank's eligibility and suitability criteria and normal credit approval processes. View our current [Terms and Conditions](#) for Business Finance and consider them before making any decision about these products. Rates are current as at 31 March 2020 are subject to change. For current interest rates, visit [Business banking rates and fees](#).

3. Comparison rate calculated on a \$150,000 secured loan over a 25-year term. WARNING: Comparison rate is true only for the examples given and may not include all fees and charges. Different terms, fees or other loan amounts might result in a different comparison rate.

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