

Government Stimulus Measure: Apprentice Subsidy

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What is the stimulus/relief?

A cash subsidy for small employers of 50% of apprentice or trainee wages, up to a maximum of \$21,000 (\$7,000 per quarter) per apprentice or trainee during the 9 month period from 1 January to 30 September 2020. **Note this is expected to be calculated on salary and wages and not include superannuation or allowances etc.**

What is aimed to do?

Assist small employers in retaining their apprentices and trainees. It also aims to encourage all businesses to re-engage the apprentices or trainees should the small business be unable to retain them.

Who is eligible?

Small businesses with less than 20 full time staff who had the apprentice or trainee in training on 1 March 2020.

All other businesses (irrespective of number of staff) will also be eligible for the subsidy but only in cases where the small business is unable to retain the apprentice or trainee and the business chooses to re-engage them.

Note there is no restriction on which industries can access this measure.

How do I get it?

The employer must register (from 2 April 2020) via an Australian Apprenticeship Support Network (AASN) provider. Once registered, the AASN will conduct an eligibility assessment on the employer.

The AASN will also facilitate the re-engagement of any eligible apprentices or trainees.

Who should use this stimulus/other considerations?

Any small business who meets the eligibility criteria. Also any employer who is intending to engage an apprentice / trainee may benefit from the subsidy if they re-engage an eligible apprentice or trainee, however it is not yet clear how entitlement on re-engagement may work. For example, will the new employer be eligible even if the apprentice / trainee resigned from their old position (in contrast to being let go)? Also, does the eligible small business need to have applied for the subsidy in order for any new employer to continue to receive it?

It is also expected the subsidy will be taxable to the employer.

More Info

www.australianapprenticeships.gov.au

www.dese.gov.au

Closing comment

The government is moving quickly and things are changing daily with regards to the response to COVID-19. Should you have any queries regarding this measure or any Government measure announced in relation to COVID-19, please contact your Brentnalls Tax Specialist.