## JobKeeper Payment Scheme (including Extension Periods)

The purpose of this Fact Sheet is to enable you to make a **quick assessment** of your eligibility for the Government's JobKeeper Payment Scheme. It is not a comprehensive guide as the rules are quite complex. If, after you have examined the information in this Fact Sheet and believe that you may be eligible, please **contact us** **immediately** so we may assist you further.

The JobKeeper Payment scheme was announced on 30 March 2020 by the Prime Minister and the Treasurer. The purpose of the scheme is to keep people employed even though the business they work for has suffered a downturn including a ‘hibernation’ or close down for a temporary period.

The JobKeeper extension (**JobKeeper extension**) was announced on **21 July** and will ***extend*** the scheme until ***28 March 2021***. Further refinements were announced by the Treasurer on Friday 7th August 2020.

The original scheme enabled eligible employers to claim a fortnightly payment of ***$1,500*** per eligible employee from 30 March 2020, for a maximum period of **6 months**. The extension of the scheme will see a more targeted and tapered approach with a two-tier wage subsidy and two additional JobKeeper periods of three months each.

**What's new?**

From Monday 3 August 2020:

* the employee eligibility test date will move from 1 March 2020 to 1 July 2020. The new reference date will apply for the **last four fortnights** of the legislated scheme as well as the **duration of the extended period**. Staff who were hired after 1 March 2020 may now be eligible for JobKeeper.

From 28 September 2020:

* a two-tier payment rate will apply based on the worker’s average weekly work hours
* the current $1,500 per fortnight payment rate will be reduced on 28 September 2020 and reduced further on 4 January 2021
* the decline in turnover will be retested on a quarterly basis, and
* the decline in turnover test will be based on actual GST turnover.

From **28 September 2020 to 3 January 2021**, the JobKeeper Payment rates will be:

* ***$1,200*** per fortnight for all eligible employees and for eligible business participants who were working for more than 80 hours or more in the 28 days before the end of most recent pay period ending before 1 March 2020 or for all eligible employees who were working for more than 80 hours or more in the 28 days before the end of most recent pay period ending before 1 July 2020, and
* ***$750*** per fortnight for other eligible employees and business participants.

From **4 January 2021 to 28 March 2021**, the JobKeeper Payment rates will be:

* ***$1,000*** per fortnight for all eligible employees and for business participants who were working for more than 80 hours or more in the 28 days before the end of most recent pay period ending before 1 March 2020 or for all eligible employees who were working for more than 80 hours or more in the 28 days before the end of most recent pay period ending before 1 July 2020; and
* ***$650*** per fortnight for other eligible employees and business participants.

**Is your business eligible for your employees in the extension period(s)?**

An employer is entitled to the JobKeeper payment in respect of an individual (an employee) in relation to an extension period if it meets the revised eligibility rules.

**Decline in turnover Test**

***Decline in turnover test***

From **28 September 2020**, businesses seeking to claim the JobKeeper payment will be required to demonstrate that they have suffered a decline in turnover using **actual** **GST turnover** (rather than **projected** GST turnover).

From **28 September 2020**, businesses will be required to **reassess** their eligibility with reference to their **actual** **GST turnover** in the **September quarter 2020** to be eligible for the JobKeeper Payment from **28 September 2020 to 3 January 2021** (the first extension period).

From **4 January 2021**, businesses will need to **further reassess** their turnover to be eligible for the JobKeeper Payment. They will need to demonstrate that they have met the relevant decline in turnover test with reference to their **actual GST turnover** in the **December quarter 2020** to be eligible for the JobKeeper Payment from **4 January 2021 to 28 March 2021** (the second extension period).

For the first extension period, businesses will need to demonstrate that their actual GST turnover has fallen by the required percentage (see below) in the **September quarter 2020** (July, August, September) relative to a comparable period (generally the **corresponding quarter in 2019**).

For the second extension period businesses will need to demonstrate that their **actual GST turnover** has fallen by the required percentage (see below) in the **December quarter 2020** (October, November, December) relative to a comparable period (generally the **corresponding quarters in 2019**).

The Commissioner of Taxation will have discretion to set out alternative tests that would establish eligibility in specific circumstances where it is not appropriate to compare actual turnover in a quarter in 2020 with actual turnover in a quarter in 2019, in line with the Commissioner’s existing discretion.

**How much does my actual decline in turnover need to be?**

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| Aggregated turnover was **> $1 Billion** | **50%** |
| Aggregated turnover was **<$1 Billion** | **30%** |

## *Eligible employees*

Employees are eligible in the extension period if they:

* are currently employed by an eligible employer (including if you were stood down or rehired)
* were for the eligible employer (or another entity in their wholly-owned group) either:
  + a full-time, part-time or fixed-term employee at 1 July 2020; or
  + a long-term casual employee (employed on a regular and systematic basis for at least 12 months) as at 1 July 2020 and not a permanent employee of any other employer.
* were aged 18 years or older at 1 July 2020 (if you were 16 or 17 you can also qualify if you are independent or not undertaking full time study).
* an Australian resident.

Some employees are **not eligible** if they receive certain forms of Government assistance.

***Wage condition***

You satisfy the wage condition in respect of an employee for a JobKeeper fortnight in the extension period where their gross pay will **exceed the relevant JobKeeper rate.**

From **28 September 2020 to 3 January 2021**, the JobKeeper Payment rates will be:

* ***$1,200*** per fortnight for all eligible employees who were working for more than 80 hours or more in the 28 days before the end of most recent pay period ending either before 1 March 2020 or 1 July 2020, and
* ***$750*** per fortnight for other eligible employees.

From **4 January 2021 to 28 March 2021**, the JobKeeper Payment rates will be:

* ***$1,000*** per fortnight for all eligible employees who were working for more than 80 hours or more in the 28 days before the end of most recent pay period ending either before 1 March 2020 or 1 July 2020, and
* ***$650*** per fortnight for other eligible employees.

The Commissioner of Taxation will have discretion to set out alternative tests where an employee or business participant’s **hours were not usual** during the **February** **and/or** **June** 2020 reference period (the period with the higher number of hours worked is to be used for employees with 1 March 2020 eligibility).

Guidance has been provided by the ATO where the employee was paid in non-weekly or non-fortnightly pay periods and in other circumstances the general rules do not cover.

The JobKeeper Payment will continue to be made by the ATO to employers in arrears. Employers will continue to be required to make payments to employees equal to, or greater than, the amount of the relevant JobKeeper Payment (before tax), based on the payment rate that applies to each employee.

You are required to give information about the entitlement for the fortnight, including details of the individual and the relevant rate, to the Commissioner, in the approved form.

**You have not opted out of the scheme**

An employer is not entitled to the JobKeeper payment if they notify the Commissioner that they no longer wish to participate in the JobKeeper scheme. This notification must be made in the form approved by the Commissioner.

**Is your business eligible for your owners who are not employees?**

**Eligibility based on ‘business participants’ who are not employees**

The Rules also allow a limited entitlement to the JobKeeper payment for certain individuals who are not employees of entities but who are actively engaged in the business carried on by a sole trader, partnership, trust or company (i.e. not passive partners, shareholders and beneficiaries).

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| --- | --- |
| ***Entity -*** | ***The Individual*** |
| Sole trader- | The sole trader |
| Partnership - | A partner in the partnership |
| Trust - | An adult beneficiary of the trust |
| Company - | A shareholder in or a director of the company |

In relation to a fortnight, the individual must be ‘***actively engaged’*** in the business carried on by the entity. They cannot also be an employee of the entity at any time during the fortnight.

The individual must have met the following conditions on 1 March 2020:

* they were aged 16 years or over;
* they were **actively engaged** in the business;
* their relationship to the entity was as outlined above;
* they were either:
* an Australian resident.

The individual must give their entity a ‘nomination notice’ in the approved form, and at the time of the nomination, they cannot be an employee (other than a casual employee) of another entity.

The entity must satisfy the general eligibility requirements for employers outlined above, and the individual is an ‘eligible business participant’ and not an employee. The entity must notify an individual in writing within seven days of giving the individual’s information to the Commissioner for the fortnight (except for sole traders).

There can only be ***one*** eligible business participant nominated for each entity.

The tier 1 rate of the JobKeeper payment will apply to your eligible business participant if they satisfy the 80-hour threshold. They satisfy this if they:

* were actively engaged in your business for 80 hours or more in their 29-day reference period, and
* have provided you with a written declaration confirming this.

If they do not meet both these requirements you will be entitled to the tier 2 rate for your eligible business participant.

**Integrity rule**

An entity is not entitled to a JobKeeper payment for an eligible business participant unless the entity had an ABN on 12 March 2020 (or a later time allowed by the Commissioner) — i.e. an entity that is recently created to access the JobKeeper payment will not qualify.

In addition, the entity must be able to demonstrate that it **was** in business and has notified the Commissioner by either:

* an amount was included in the entity’s assessable income for the 2018–19 income year in relation to it carrying on a business, and the Commissioner was notified on or before 12 March 2020 (or a later time allowed by the Commissioner); or
* the entity made a taxable supply in a tax period that started on or after 1 July 2018 and ended before 12 March 2020, and the Commissioner was notified on or before 12 March 2020 (or a later time allowed by the Commissioner).

The following questions are intended to assess eligibility for the JobKeeper Scheme.

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| **Eligibility Criteria** | | |
| **Employer Conditions** | **Yes** | **No** |
| Was my business being carried on 1 March 2020? |  |  |
| Has my Turnover declined by the required percentage?  (Turnover >$.1 Billion - 50%  Turnover < $1 Billion - 30%) |  |  |
| Notification -I have or I will advise the ATO on the approved form of my intention to participate in the JobKeeper Scheme? |  |  |
| Is the fortnight a JobKeeper fortnight?  (30 March 2020 - 27 September2020 (28 September 2020 - 3 January 2021 - first extension) (4 January 2021 to 28 March 2021 - second extension) |  |  |
| I have or I will notify my employee that I have nominated them for the JobKeeper Scheme? |  |  |
| I have or I will provide the ATO with information in the approved form? |  |  |
| **Employee Conditions**  **Was my employee?** | **Yes** | **No** |
| Employed at any time in the fortnight? |  |  |
| At 1 March 2020 or 1 July 2020  Aged 18 or over? |  |  |
| Full or part time? or  Long term Casual Employee (> 12 months)? |  |  |
| If aged 16 or 17, they are independent or not undertaking full time study |  |  |
| Australian Resident? |  |  |
| The Employee has agreed to be nominated and has or will provide me with notification? |  |  |
| **Wages Condition** Have I paid my employee Gross Pay at the relevant JobKeeper Rate for the relevant fortnight? |  |  |
| **Full Rate** Did my employee work for 80 or more hours in the 28 days before the end of the final pay cycle before 1 March 2020 or 1 July 2020?  (If NO part rate applies) |  |  |
| **Not Opted Out** You have **NOT** notified the ATO that you no longer want to participate? |  |  |

If you have answered "**yes**" to **ALL** of the above you **may** qualify for the JobKeeper Payments from the ATO. We can assist you in **confirming** your eligibility and completing all necessary forms. Please contact us as a matter of urgency. If you have answered any question **"No",** you are unlikely to qualify for the JobKeeper Payment Scheme.

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| Business Participant Eligibility | | |
| **Entity Requirements** | **Yes** | **No** |
| Was my entity carrying on business on 1 March 2020? |  |  |
| Has my Turnover declined by the required percentage?  (Turnover >$.1 Billion - 50%  Turnover < $1 Billion - 30%) |  |  |
| Notification -I have or I will advise the ATO on the approved form of my intention to participate in the JobKeeper Scheme? |  |  |
| Is the fortnight a JobKeeper fortnight?  (30 March 2020 - 27 September2020 (28 September 2020 - 3 January 2021 - first extension) (4 January 2021 to 28 March 2021 - second extension) |  |  |
| Have I notified my business participant that I have nominated them for the JobKeeper Scheme? |  |  |
| Have I provided the ATO with information in the approved form? |  |  |
| **Individual - Business Participant Requirements** | **Yes** | **No** |
| The individual was actively engaged in the business at any time in the fortnight? |  |  |
| The Individual is a relevant Business Participant  If a Sole trader the sole trader If a Partnership - a partner If a Trust - an adult beneficiary of the trust If a Company - a Shareholder or Director |  |  |
| At 1 March 2020 -  Aged 16 or over? |  |  |
| Full or part time? or  Long term Casual Employee (> 12 months)? |  |  |
| Australian Resident? |  |  |
| **Full Rate?** Was the individual actively engaged in the business for 80 or more hours in the 29 days before 1 March 2020? (If NO part rate applies) |  |  |
| The individual has agreed to be nominated and provided the entity with notification? |  |  |
| Has the Entity satisfied the integrity Rule? |  |  |

If you have answered "**yes**" to **ALL** of the above you **may** qualify for the JobKeeper Payments from the ATO. We can assist you in **confirming** your eligibility and completing all necessary forms. Please contact us as a matter of urgency.

If you have answered any question **"No",** you are unlikely to qualify for the JobKeeper Payment Scheme.