

CPA AUSTRALIA'S GUIDE TO JOBSAVER PAYMENT

25 July 2021

GUIDE TO THE JOBSAVER PAYMENT

WHAT YOU NEED TO KNOW

- JobSaver is a cash flow support payment to eligible businesses. It does NOT need to be passed on to employees. It is not the same as JobKeeper.
- The payment covers the period from 18 July to the end of the lockdown. The [COVID-19 Business Grant](#) covers the period from 26 June to 17 July.
- Unlike the COVID-19 Business Grant, JobSaver covers the decline in turnover for any two-week period for the entire Greater Sydney lockdown (26 June until the end of lockdown). Hence, a business may be eligible for JobSaver and not the COVID-19 Business Grant if they first experience a 30 per cent decline in turnover after 17 July.
- Applicants can receive both the COVID Business Support Grant and JobSaver.
- To calculate 'weekly payroll', use the amount in W1 in your most recent BAS prior to 26 June 2021 in the 2020-21 financial year. Deduct total gross payments to employees outside of NSW and any amounts withheld for contractors under a voluntary agreement. That total should then be divided by the number of days in the BAS period W1 relates to. Multiple that number by seven to determine weekly payroll.
- In relation to maintaining headcount at the same level as 13 July 2021, applicants remain eligible to receive JobSaver if they stand down employees or reduce their hours, however their employment cannot be terminated.
- Applicants remain eligible to receive JobSaver if an employee leaves for reasons outside of the employer's control such as resignation or retirement.
- Casual employees are included in the 13 July headcount if they have been employed with the businesses for more than 12 months.
- When applying for JobSaver, applicants can resubmit the accountant's letter they submitted with their COVID-19 Business Grant application.
- Services NSW have a different [accountant's letter template for JobSaver](#).
- The JobSaver accountant's letter template asks members to confirm that if the applicant operates the business through a trust, that the trust is the entity operating the business and does not receive passive income from the business.
- The JobSaver accountant's letter template provides an avenue to advise Services NSW of an alternative comparison period.
- Businesses that have applied and are eligible for the COVID-19 Business Grant will generally be automatically eligible for JobSaver but must provide further information on employee headcount and weekly payroll. These businesses may be contacted by Service NSW for that information.
- Each ABN can apply for JobSaver only once.
- Employees can receive COVID-19 Disaster Payment from Services Australia if their employer is receiving JobSaver.
- Non-employing businesses are not eligible to receive JobSaver where individuals associated with the business and deriving income from the business receive a COVID-19 Disaster Payment from 18 July 2021

HIGH LEVEL OVERVIEW

If you're a business, sole trader or not-for-profit organisation in NSW and you've experienced a 30 per cent decline in turnover or more due to lockdown restrictions, you may be eligible for the [JobSaver payment](#).

Eligible businesses and not-for-profit organisations with employees will receive payments of up to 40 per cent of their NSW weekly payroll. The minimum payment for eligible entities with employees is \$1500 per week. The maximum payment is \$10,000 per week.

If you're a non-employing business, you may be eligible to receive a payment of \$1000 per week.

You will receive these payments fortnightly, backdated from 18 July 2021 until the end of lockdown or you no longer meet the eligibility requirements.

Applications **close 18 October 2021**.

ELIGIBILITY CRITERIA

- have an Australian Business Number (ABN) and were operating in New South Wales as at 1 June 2021
- be registered for GST as at 1 June 2021
- had an aggregated annual turnover between \$75,000 and \$50 million (inclusive) for the year ended 30 June 2020 (businesses with annual turnover between \$30,000 and \$75,000 can apply for the [COVID-19 micro-business grant](#) or the [COVID-19 disaster payment](#))
- have experienced a decline in turnover of 30 per cent or more due to lockdown restrictions over a minimum two-week period within the Greater Sydney lockdown (from 26 June 2021 until the end of lockdown) compared to the same period in 2019. The application will ask for the business' lowest fortnightly turnover in that period. Applicants only have to show a decline in turnover of 30 per cent for any two-week period in order to qualify
- maintain their employee headcount as at 13 July 2021 for the period for which they receive JobSaver payments
- for non-employing businesses, the business must be the primary income source for the associated person (usually the owner).

Individuals with more than one non-employing business can only claim payments for one business.

EVIDENCE REQUIRED TO SUPPORT APPLICATION

- declare their employee headcount at 13 July 2021
- declare they will maintain their employee headcount at the 13 July 2021 level for the period for which the business is receiving JobSaver payments. Employers will be taken to have maintained their headcount if:
 - they stand down employees or reduce their hours, as long as their employment is not terminated (employees in such circumstances may be eligible to apply for the [COVID-19 Disaster Payment](#))
 - employees leave for reasons outside of the employer's control including resignation
- if they don't have employees, declare the business is the primary income source for the owner
- provide details of their qualified accountant, registered tax agent or registered BAS agent for possible compliance checking (where an 'accountant's letter' is not required – see below)
- if an 'accountant's letter' is not required (see below), declare they have experienced a decline in turnover of 30 per cent or more due to lockdown restrictions over a minimum two-week period within the Greater Sydney lockdown period (from 26 June 2021 until the end of lockdown), compared to the same period in 2019. The application will ask for the business' lowest fortnightly turnover in that period
- if an accountant's letter is required (see below), submit an accountant's letter showing the decline in turnover. Applicants can resubmit the accountant's letter they submitted with their COVID-19 Business Grant application
- submit an income tax return (or Notice of Assessment) or other documentation to demonstrate their business had an aggregated annual turnover of between \$75,000 and \$50 million (inclusive) for the year ended 30 June 2020
- provide evidence of weekly payroll:
 - for businesses that submit a BAS with a W1 amount recorded: their most recent BAS that was lodged with the ATO prior to 26 June 2021 within the 2020-21 financial year

- for businesses that submit a BAS without a W1 amount (wages and salaries) recorded: their 2019-20 NSW payroll tax reconciliation return
- for businesses that do not submit a BAS: Contact Service NSW to discuss alternate evidence of wages and salaries
- lodge other supporting documents as required to demonstrate that they meet the eligibility criteria.

NB Businesses that have applied and are eligible for the 2021 COVID-19 Business Grant will generally be automatically eligible for JobSaver but must provide further information on employee headcount and payroll. These businesses may be contacted by Service NSW if further information is required.

WHEN IS AN ACCOUNTANT’S LETTER REQUIRED AS PART OF THE GRANT APPLICATION?

	Accountant’s letter required
Eligible business on the <u>highly impacted industry list</u> :	NO
Eligible business outside the <u>highly impacted industry list</u>	YES

Accountant’s letter template

An ‘accountant’s letter’ is the evidence necessary for certain applicants to show the required decline in turnover. The accountant’s letter template for JobSaver can be found [here](#).

Who can sign an accountant’s letter template?

- a qualified accountant as defined in the Corporations Act 2001
- a registered tax agent; or
- a registered BAS agent as defined under the Tax Services Act 2009.

who is not:

- an employee or director of the applicant;
- an associated entity of the applicant; or
- a director or employee of an associated entity of the applicant.

A ‘qualified accountant’ is a person that belongs to one of the following professional bodies at the declared membership classification, and comply with their body’s continuing professional education requirements.

Professional body	Membership status
CPA Australia	CPA And FCPA
Chartered Accountants Australia and New Zealand	CA, ACA and FCA
Institute of Public Accountants	AIPA, MIPA and FIPA

Other issues to consider in the JobSaver accountant’s letter template

The template asks members to confirm that if the applicant operates the business through a trust, that the trust is the entity operating the business and does not receive passive income from the business.

If, after discussion with Service NSW, you have been advised to use an alternative comparison period, supply those dates in the table in the template.

If an applicant is not able to provide an accountant's letter to verify their decline in turnover, **they should contact Service NSW.**

Reasonable care in signing an accountant's letter

The following words on signing an accountant's letter are provided by FentonGreen:

We refer you to the recent NSW Government initiative wherein they are asking CPA's to complete a declaration which is to be sent to Services NSW as part of your client's application for this grant. With any declaration you are ultimately asked by your client to complete there is an element of risk which rests with you. In this case you are asked to determine from your client's documentation whether they are eligible – that is their turnover has declined by at least 30 per cent over the reference period. The risk here lies with the documentation that is provided to you and your ability to interpret it.

These are difficult times for your clients and they must be aware of their obligations under this Support Scheme. The better informed your clients are the lower is your risk profile.

As per the accountant's letter template, you are not expected to perform an audit / assurance engagement to verify the reliability, accuracy, or completeness of the information provided by the clients, however we recommend that you sense check the information and ensure the client has reasonable grounds and evidence to support their claim.

You should also inform your clients of their obligations under the grant, including keeping complete and accurate documentation to support their eligibility and that they may be subject to an audit by Services NSW.

CALCULATING DECLINE IN TURNOVER

The entity must have experienced the required decline in turnover over a minimum two-week period during the Greater Sydney lockdown (from 26 June 2021 until the lockdown ends) compared to the same period in 2019.

The GST definition of turnover is used to calculate whether an applicant experienced a 30 per cent or more decline in **national** turnover. We recommend you use the same accounting method as you use for BAS.

GST turnover is your total business income (not your profit), minus:

- GST included in sales to your customers
- sales that aren't for payment and aren't taxable
- sales not connected with an enterprise you run
- input-taxed sales you make
- sales not connected with Australia.

It is important to note that GST turnover includes GST-free supplies and supplies that would be taxable if registered.

For more detail on working out your GST turnover, see this [guidance](#) from the ATO and [GSTR 2001/7](#).

Decline in turnover calculation template

What was your business' <u>lowest</u> fortnightly turnover between 26 June and 30 July inclusive	[insert dates used]	[insert turnover]
What was your business' turnover for the same period in 2019?	[insert dates used]	[insert turnover]
Decline in turnover (%)	[insert decline in turnover %]	

The JobSaver accountant's template provides an avenue to advise Services NSW of an alternative comparison period.



CALCULATING WEEKLY PAYROLL

To calculate weekly payroll, please refer to your calculation of wages, salaries and other amounts paid to NSW employees in item W1 in your most recent BAS lodged prior to 26 June 2021 for the 2020-21 financial year.

Calculating weekly payroll template

A	The amount included in W1 in the business' most recent BAS lodged prior to 26 June 2021	<i>[insert amount shown in W1]</i>
B	Calculate the total gross payments to employees based outside NSW that was included in W1	
C	Calculate the payments withheld on behalf of contractors (including contractors based in NSW) under voluntary agreements included in W1	
D	A-(B+C)	<i>[sub total]</i>
E	Calculate the number of days in the BAS period used (<u>use ATO days calculator</u>)	<i>[number of days]</i>
F	D/E	<i>[sub-total]</i>
G	F x 7	<i>[Weekly payroll]</i>

Businesses that don't submit a BAS or have no W1 amount should use the ATO definition of W1 to calculate the total wages, salaries and other amounts. Exclude amounts paid to employees based outside NSW, as well as contractors (including those based in NSW) during the months of April or May 2021. That amount should be divided by the number of days in that period and multiplied by 7.

CALCULATING AGGREGATED ANNUAL TURNOVER

The grant uses the income tax concept of aggregated annual turnover.

Your annual turnover is therefore the total ordinary income you derive in an income year in the ordinary course of carrying on a business. This includes income on a worldwide basis. According to the ATO, JobKeeper payments are not included in turnover.

Aggregated turnover is generally your annual turnover plus the annual turnover of any business:

- connected with you, or
- that is your affiliate.

If your business is a company, your aggregated turnover includes your annual turnover, plus the annual turnover of all the entities that are connected or affiliated with your company. These connected or affiliated entities may be based in Australia or overseas.

If your business operates through a trust, you will be required to provide additional information to demonstrate an aggregated annual turnover of \$75,000 or more is derived through the trust, as opposed to a business linked to a trust. See accountant's letter above.

The ATO provides guidance on working out your aggregated turnover.

ALTERNATIVE CIRCUMSTANCES

Entities registered outside of NSW

Entities operating in NSW with their ABN registered elsewhere will be able to apply if they can provide evidence their business was operating in NSW as at 1 June 2021. If so, please [contact Service NSW](#)

The primary evidence is a commercial rates notices or lease agreements. Where a rates notice or lease agreement is not available, Service NSW may accept a combination of the following:

- utility bills
- insurance papers
- supply invoices
- registration papers
- contractor licences.

Businesses not established in June/ July 2019 or do not meet the tests for other reasons

There are several circumstances where a business may not meet the eligibility criteria and supporting evidence requirements, but still may be eligible for JobSaver. These circumstances include:

- businesses not operating for the full year to 30 June 2020 (e.g. new businesses)
- businesses affected by drought, bushfires or other natural disasters
- business acquisition, disposal, or business restructure
- a sole trader or small partnership impacted by sickness, injury or leave.

Businesses in these circumstances should [contact Service NSW](#) to determine if an alternate comparison period, or alternative supporting evidence, can be applied.

ENTITIES NOT ELIGIBLE INCLUDE:

- the entity is a company in liquidation or provisional liquidation
- the entity is an individual who has entered bankruptcy
- the entity primarily earns passive income (rents, interest, or dividends)
- for non-employed businesses, the business is NOT the primary income source for the associated person.
- Non-employed businesses where individuals associated with the business and deriving income from the business have received a [COVID-19 Disaster Payment](#) since 18 July 2021

OTHER

Entities eligible for the 2021 COVID-19 Business Grant, the JobSaver payment and the COVID-19 micro business grant are also protected from certain actions by their landlord including eviction from 13 July 2021 to 20 August 2021. See the NSW Small Business Commissioner's [website](#).

MORE INFORMATION

<https://www.service.nsw.gov.au/transaction/jobsaver-payment>

Information on other support for NSW businesses can be found [here](#).

policy.advocacy@cpaaustralia.com.au