



COVID-19 Stimulus Package

JobKeeper Payment

Important Disclaimer

The legislation is currently being finalised and therefore has **not yet** been passed by the Government. There are many more questions we have relating to specific client circumstances, and we will not have these answers clarified until this legislation is finalised by the Government. Please be patient with us. We will continue to update our clients with relevant information as soon as it is made available to us.

What is it?

Businesses impacted by the Coronavirus will be able to access a subsidy from the Government to continue paying their employees; regardless of whether the business continues operating.

Are you eligible?

ELIGIBLE EMPLOYERS

- Business has a turnover of less than \$1 billion
 - o That businesses turnover will be reduced by more than 30 per cent relative to a comparable period a year ago (of at least a month); or
- Business has a turnover of \$1 billion or more
 - o That businesses turnover will be reduced by more than 50 per cent relative to a comparable period a year ago (of at least a month)
- The employer must have been employing with eligible employees as at 1 March 2020 and confirm that each eligible employee is currently engaged in order to receive JobKeeper Payments.
- Not-for-profit entities (including charities) and self-employed individuals (businesses without employees) that meet the turnover tests that apply for businesses are eligible to apply for JobKeeper Payments.

ELIGIBLE EMPLOYEES

Note: Receiving the JobKeeper Payment may affect entitlements for other Centrelink benefits they may currently be receiving.

- Currently employed by the eligible employer (including those stood down or re-hired);
- Were employed by the employer at 1 March 2020;
- Are full-time, part-time, or long-term casuals (a casual employed on a regular basis for longer than 12 months as at 1 March 2020);
- Are at least 16 years of age;
- Are an Australian citizen, the holder of a permanent visa, a Protected Special Category Visa Holder, a non-protected Special Category Visa Holder who has been residing continually in Australia for 10 years or more, or a Special Category (Subclass 444) Visa Holder;
- Are not getting a JobKeeper Payment from another employer.

What does this entitle you to?

ELIGIBLE EMPLOYERS

- Affected employers will be able to claim a fortnightly payment of \$1,500 per eligible employee from 30 March 2020, for a maximum period of 6 months.
- The first payments to be received by employers in the first week of May, backdated to 30th March 2020.

ELIGIBLE EMPLOYEES

- Ability to recommence/maintain employment within your employer and receive up to \$1,500 remuneration per fortnight (before tax)
 - o Your employer is still able to pay you above this threshold.

This information is true and correct as at 31st March 2020.

Further information and updates as they arise will be provided promptly by our team.



Employers Obligations?

To receive the JobKeeper payment, employers must:

- Register an intention to apply with the ATO, see below “How do I apply”
- Provide information to the ATO on eligible employees
 - o This will be streamlined if using Single Touch Payroll (STP)
 - o If not on STP system, the reporting requirements to the ATO will substantially increase
- Ensure that each eligible employee receives at least \$1,500 per fortnight (before tax)
 - o For employees already receiving this amount then their income will not change
 - o For employees receiving less, the employer will need to top up the payment to the employee to \$1,500 before tax
 - o For employees currently receiving more than this, the employer can provide a top up payment
- Notify all employees that they are receiving JobKeeper Payments
- Continue to provide the ATO information on a monthly basis
- Superannuation on the JobKeeper portion is non-compulsory

How do I apply?

BUSINESSES WITH EMPLOYEES:

- Employers can register their interest in applying for the JobKeeper Payment via this ATO link:
https://www.ato.gov.au/general/gen/JobKeeper-payment/?=redirected_JobKeeper
- Eligible employers will be able to apply for the scheme via an online application form
- The first payment will be received by employers from the ATO in the first week of May
- Monthly updates are required to be provided to the ATO (where not on STP system)

BUSINESSES WITHOUT EMPLOYEES:

- Self-employed businesses can also apply for the JobKeeper Payment via this ATO link:
https://www.ato.gov.au/general/gen/JobKeeper-payment/?=redirected_JobKeeper
- Monthly updates to the ATO are required to declare continued eligibility for the payments.

Read some
Real Life Examples
on the next page...



Real Life Examples

Employer with employees on different wages

Adam owns a real estate business with two employees. The business is still operating at this stage but Adam expects that turnover will decline by more than 30 per cent in the coming months. The employees are:

- Anne, who is a permanent full-time employee on a salary of \$3,000 per fortnight before tax and who continues working for the business; and
- Nick, who is a permanent part-time employee on a salary of \$1,000 per fortnight before tax and who continues working for the business.

Adam is eligible to receive the JobKeeper Payment for each employee, which would have the following benefits for the business and its employees:

- The business continues to pay Anne her full-time salary of \$3,000 per fortnight before tax, and the business will receive \$1,500 per fortnight from the JobKeeper Payment to subsidise the cost of Anne's salary and will continue paying the superannuation guarantee on Anne's income; \$1,000 per fortnight of wages that Nick is earning. The business has the option of choosing to pay superannuation on the additional \$500 (before tax) paid to Nick under the JobKeeper Payment.

Adam can register his initial interest in the scheme from 30 March 2020, followed subsequently by an application to ATO with details about his eligible employees. In addition, Adam is required to advise his employees that he has nominated them as eligible employees to receive the payment. Adam will provide information to the ATO on a monthly basis and receive the payment monthly in arrears.

Employer with employees who have been stood down without pay

Zahrah runs a beauty salon in Melbourne. Ordinarily, she employs three permanent part-time beauticians, but the government directive that beauty salons can no longer operate has required her to shut the business. As such she has been forced to stand down her three beauticians without pay.

Zahrah's turnover will decline by more than 30 per cent, so she is eligible to apply for the JobKeeper Payment for each employee, and pass on \$1,500 per fortnight before tax to each of her three beauticians for up to six months. Zahrah will maintain the connection to her employees, and be in a position to quickly resume her operations.

Zahrah is required to advise her employees that she has nominated them as eligible employees to receive the payment. It is up to Zahrah whether she wants to pay superannuation on the additional income paid because of the JobKeeper Payment.

If Zahrah's employees have already started receiving income support payments like the JobSeeker Payment when they receive the JobKeeper Payment, they will need to advise Services Australia of their new income.