



GOODMAN  
CHARTERED ACCOUNTANTS

## JOBKEEPER PACKAGE – APPLICATIONS NOW OPEN

Since the initial release of the JobKeeper Package, the Government have now passed it through Parliament and applications opened on 20<sup>th</sup> April 2020.

We will outline what the application process is and how it will apply to you and/or your business. How the setup and payment method of JobKeeper for Single Touch Payroll are to be managed will be sent out to clients in the coming week.

Please refer to our original JobKeeper Summary which can be found here <http://www.dgca.com.au/covid19-stimulus-300320.pdf>. This summary outlined the eligibility and payment criteria for the JobKeeper package which have not changed and should be read in conjunction with this summary.

### Key Dates

- From 20 April: enrol for JobKeeper payment
- By 30 April: enrol and pay your employees to claim JobKeeper payments for April
- 4 May onwards: identify your employees
- Each month: confirm eligibility
- If you need more time, you have until the end of May to enrol and identify your employees.

### Key Points to remember

- The JobKeeper payments from the Government are assessable income to both the employer and the employee.
  - Employees – forms part of your assessable income and is subject to PAYG Withholding
  - Employers – the JobKeeper payments reimbursed by the Government is assessable income to the employer, however no GST applies.
- Ensure that payments made to employees for JobKeeper are taxed accordingly for PAYG Withholding.
- Superannuation is payable on the hours actually worked by employees, but not on any 'top up' for the JobKeeper payments.

It is also important to note that JobKeeper is not compulsory. Employers can choose to participate if they are eligible, but if they do decide to participate, they must nominate all employees they are entitled to claim for. This is known as the 'one-in, all in' rule. You cannot pick and choose which employees you apply for JobKeeper for, unless they are not eligible employees for the purpose of the JobKeeper scheme.

***Please find attached at the bottom of this document a case study, which outlines how JobKeeper applies for a sole trader with employees and the step by step guide of determining eligibility and applying for JobKeeper.***

We will continue to monitor continuing Government responses and advise you of any updates as they come to hand.

## JOBKEEPER – APPLYING THE TURNOVER TEST

To first determine an employer's eligibility for JobKeeper you must first check you meet the eligibility requirements, including the **turnover test**.

The turnover test can be satisfied in two ways, the basic test or the alternative test.

### **BASIC TEST**

This test is satisfied where your projected GST turnover for the turnover period falls short of your current GST turnover for the relevant comparison period, by the specified percentage (30% for entities with under \$1b turnover & 50% for entities with \$1b or more).

To apply the basic test, you need to:

### **Step 1: Identify the turnover test period**

Choose whether you are comparing your monthly or quarterly turnover. You can choose to compare the relevant month or quarter, regardless of whether you report quarterly or monthly.

For qualification from the start of the scheme, the turnover month used can be either March 2020 or April 2020. To qualify at a later time, the turnover month can also be May, June, July, August or September 2020, provided that the turnover month is the month in which the first fortnight for which you claim the JobKeeper payment ends, or an earlier month.

In other words, you will only qualify for JobKeeper payments for JobKeeper fortnights that end on or after when your turnover test period starts.

If turnover for a quarter is being used, it can be the quarter:

- 1 April 2020 to 30 June 2020
- 1 July 2020 to 30 September 2020, but only if first seeking to qualify for fortnights ending in July 2020 or later.

### **Step 2: Identify the relevant comparison period**

This must be the same period in 2019 that corresponds to the turnover test period.

In some situations where the turnover in the corresponding period in 2019 does not provide an appropriate relevant comparison, then you will need to consider the alternative test (which is outlined later in this document).

#### ***Example***

##### *Step 1:*

*Shizuka runs a beauty salon and she applies for the JobKeeper scheme during the first fortnight that the scheme started operating. This fortnight ends on 12 April 2020.*

*The turnover test period for Shizuka can be:*

- *The month of March 2020 or April 2020, or*
- *The quarter from 1 April 2020 to 30 June 2020.*

##### *Step 2:*

*Shizuka identifies the relevant comparison period in 2019.*

- *For the month of April 2020, the relevant comparison period would be April 2019.*
- *For the quarter of 1 April 2020 to 30 June 2020, the relevant comparison period is 1 April 2019 to 30 June 2019.*

### **Step 3: work out the relevant GST turnover**

You need to determine:

- For the turnover test period – what your projected GST turnover will be
- For the comparison period – what your GST turnover was in 2019.

The general GST rules have been modified for the purpose of JobKeeper. The amounts included in calculating projected GST turnover and current GST turnover are the same regardless of whether you are currently GST registered.

### Modifications to the GST law

When calculating GST turnover for an entity that operates two or more businesses, the turnover from each business is combined. Entities that form part of a GST group or consolidated group must work out the projected GST turnover and current GST turnover and apply the fall in turnover test for each entity individually.

There are four main modifications to the GST turnover calculation:

- Projected GST turnover and current GST turnover are calculated for the relevant month or quarter being tested (rather than 12 months)
- Where the entity is part of a GST group, the entity calculates its GST turnover as if it wasn't part of the group. This means that supplies made by one group member to another will be included in GST turnover for the purposes of the fall in turnover test.
- The calculation includes the receipt of tax-deductible donations by a deductible gift recipient. It also includes gifts of money, property and listed Australian shares received by an ACNC registered charity (that is not a deductible gift recipient). However, none of these receipts are included if they are from an associate; and
- External territories (e.g. Norfolk Island) are treated as if they formed part of Australia.

Projected GST turnover and current GST turnover excludes the following:

- GST you included in sales to your customers (if any)
- Sales that are input taxed sales (e.g. Bank interest, sale of shares, residential rental income)
- Sales not connected with an enterprise that you carry on (e.g. Sale of private car)
- Payments for no supply (e.g. JobKeeper payments)
- Gifts and donations (except for deductible gift recipients and ACNC registered charities)
- Sales not connected with Australia, for example:
  - Sales of services made through a business you carry on outside Australia
  - Sales of goods purchased and sold from a place outside Australia
  - Sale of real property situated outside Australia

### Cash or Accruals basis

You may use an accruals basis of accounting to calculate both the current GST turnover and projected GST turnover as both calculations require you to include sales that you have made or are likely to make without any reference to when you are paid.

However, if you prepare your activity statements on a cash basis, the ATO will allow you to calculate both the current and projected GST turnovers on a cash basis. The basis used must be the same for calculating your projected and current GST turnover. Typically, current turnover will equal your GST exclusive sales less your input taxed supplies.

**Example**

*Fitness Co operates a gym and a home meal delivery service and is working out its current GST turnover for the relevant comparison period. Fitness Co is a member of a GST group.*

*FitnessCo recorded the following transactions in April 2019:*

<i>Gym Membership fees excluding GST</i>	<i>\$10 million (included)</i>
<i>Sales of home delivered meals – Ex GST</i>	<i>\$ 5 million (included)</i>
<i>Bank Interest</i>	<i>\$ 3 million (excluded)</i>
<i>Sale of rental property outside Australia</i>	<i>\$30 million (excluded)</i>
<i>Supply made to a member of the GST group</i>	<i>\$10 million (included)</i>

*The current GST turnover included for the relevant comparison period would be \$25 million.*

**Estimating your projected GST turnover**

You need to identify the sales you made, or are likely to make, during the turnover test period.

Given that you can test eligibility part way through a period, when applying the fall in turnover test, you need to consider what you expect to happen for the remainder of that period. Relevant considerations include:

- The period during which the business is not expected to trade because it has been closed due to the coronavirus, or its ability to trade has been restricted.
- Recent patterns in trading that are expected to continue
- Revised business plans.

The reasons for a fall or expected fall in turnover are not prescribed and are not limited only to the direct impacts of the coronavirus.

A business may intend on making substantial changes to their structure and operations as part of responding to the coronavirus. However, projected GST turnover excludes:

- Supplies that are made by transfer of capital assets
- Supplies that are made as a consequence of substantially and permanently reducing in size or scale of the enterprise or more than 10% (e.g. the sale of the businesses assets)

**Example**

*Donald runs a garden maintenance and landscaping business. The demand for garden maintenance typically falls in the fourth quarter (April to June) as winter approaches. He has noticed that there have been very few calls for quotes this year compared to usual.*

*Donald forecasts that his projected GST turnover for this quarter to the \$25,000. This is less than 50% than for the same quarter in 2019. This projection includes both the impact of winter on his business and also lower demand for his work due to the more difficult economic conditions.*

*This comparison is used by Donald to establish whether he satisfies the fall in turnover test.*

**Step 4: determine which shortfall percentage applies**

The following shortfall percentages apply to be eligible for JobKeeper.

- ACNC registered charity – must show a shortfall of 15% or more.
- Aggregated turnover tests for entities likely to exceed \$1 billion – 50% or more

- Aggregated turnover tests for entities with turnover less than \$1 billion – 30% or more

**Example**

*FlowerCo operates a flower shop with an annual turnover of \$5 million in 2018-2019, being the total ordinary income of the business in that year.*

*FlowerCo is not associated with any other entities and would therefore need to satisfy the 30% reduction in turnover when calculating the shortfall.*

**Step 5: determine if GST turnover has fallen by the specified percentage**

Work out the percentage that your projected turnover has fallen, based on the shortfall in your projected GST turnover as compared to the current GST turnover for the comparable period.

If the shortfall percentage is greater than or equal to the specified percentage, you satisfy the basic fall in turnover test.

**Example – fall in turnover test satisfied**

Burke Industries assesses its eligibility for JobKeeper payments on 11 May 2020 based on a projected GST turnover for May 2020 of \$10 million from its business activities. The relevant comparison is the month of May 2019 for which it had a current GST turnover of \$20 million. The May 2020 turnover falls short of the May 2019 turnover by \$10 million, which is 50%. This exceeds the specified percentage of 30% as their annual turnover is less than \$1 billion. For May 2020 onwards, the fall in turnover test is satisfied.

**Example – large business, fall in turnover test satisfied for one entity in a group but not another**

FluffyCo operates a dog wash business. They also purchased another company PuppyCo which manufactures and sells treats for puppies. Due to tougher economic conditions, both decide to test whether they are eligible for the JobKeeper payment on 11 May 2020.

**The relevant turnovers of the two entities**

	Annual turnover (2018-2019 year)	Current GST turnover (May 2019)	Projected GST turnover (May 2020)
Fluffy Co	\$950 million	\$100 million	\$50 million
Puppy Co	\$100 million	\$10 million	\$9 million
Total	\$1,050 million		

**Step 1 – identify the turnover test period**

Both entities chose May 2020 as their turnover test period. This is the month in which the first JobKeeper fortnight for which they both wish to claim a JobKeeper payment falls.

**Step 2 – identify the relevant comparison period**

May 2019 is both FluffyCo’s and PuppyCo’s comparison period

**Step 3 – work out the relevant GST turnover**

When calculating projected GST turnover, the business forecast is that the dog wash business turnover would significantly fall. The turnover of the dog treat business was not likely to fall significantly as they had moved the business to more online sales and distribution.

Each entity considers their GST turnover individually, without aggregating.

**Step 4 – determine which shortfall percentage applies**

FluffyCo and PuppyCo must include their annual turnover of both businesses when calculating their aggregated turnover because they are connected entities. As the annual aggregated turnover for both entities is more than \$1 billion, the 50% shortfall percentage applies.

**Step 5 – determine whether the GST turnover has fallen by the specified shortfall percentage**

Fluffy Co – the May 2020 turnover falls short of the May 2019 turnover by \$50 million, which is a 50% reduction. This satisfies the shortfall percentage so FluffyCo satisfies the fall in turnover test.

PuppyCo – the May 2020 turnover falls short of the May 2019 turnover by \$1 million, which is a 10% reduction. This is less than the 50% reduction needed, and therefore PuppyCo does not satisfy the fall in turnover test in May 2020. PuppyCo could consider testing their quarterly income or test its turnover in subsequent months to determine their eligibility.

## ALTERNATIVE TEST

If you cannot apply the Basic Test, the ATO may determine an alternative test for fall in turnover for a class of entities where there is not appropriate relevant comparison periods.

The alternative test covers a number of specific classes of 'unusual' circumstances including:

- The business commenced before 1 March 2020 but after the relevant comparison turnover period (e.g. A new business less than a year old)
- The entity acquired or disposed of part of the business after the relevant comparison period (e.g. not the same business in that period as it is now)
- The entity undertook a restructure after the relevant comparison period (e.g. not the same business in that period as it is now)
- The entity's turnover substantially increased by:
  - 50% or more in the 12 months immediately before the applicable turnover period
  - 25% or more in the 6 months immediately before the applicable turnover period
  - 12.5% or more in the 3 months immediately before the applicable turnover period
- The entity was affected by drought or natural disaster during the relevant comparison period
- The entity has a large irregular variance in their turnover for the quarters ending in the 12 months before the applicable turnover test period, excluding entities that have cyclical or regular seasonal variance in their turnover; or
- The entity is a sole trader or small partnership where sickness, injury or leave have impacted an individual's ability to work which has now affected turnover.

If one of these classes of circumstances apply, an employer can select the corresponding alternative tests. These tests can be found at the Federal Register of Legislation here

<https://www.legislation.gov.au/Details/F2020L00461>. You need to use the tests that apply to your applicable class.

*The above alternative tests do not cover the other common circumstances where employers were looking for specific ATO guidance, for example:*

- *start-up/exploration employers with no turnover*
- *employers with specific badly impacted divisions, or;*
- *employers who only provide input-taxed supplies.*

*It is unclear if the ATO will introduce further alternative tests to assist employers under these circumstances.*

## JOBKEEPER GUIDE – EMPLOYERS

### STEP 1 – ENROL FOR THE JOBKEEPER PAYMENT

You only need to complete this step once.

- Log into the Business portal using myGovID
- Select 'Manage Employees' then the link for the JobKeeper payment
- Fill in the JobKeeper enrolment form by confirming the required fields.

**Required Fields *(please note this is an example and not what should be entered for all entities)***

A fall in turnover: (see heading 'Applying the Turnover Test' above in this document)

Aggregated annual turnover less than \$1 billion

Has your turnover for the entity fallen or is likely to fall **30% or more**?\*

Yes  No

Aggregated annual turnover more than \$1 billion

Has your turnover for the entity fallen or is likely to fall **50% or more**?\*

Yes  No

ACNC Registered charities

Has your turnover for the entity fallen or is likely to **fall by 15%**?\*

> When you're not registered for GST, this applies to all annual income.

Yes  No

**Month:** the month in which your business experienced the fall in turnover or expects to experience a fall in turnover.

For which month in 2020 have you experienced or likely to experience a reduction in turnover?\*

March 

**Expected number of eligible employees:** if enrolling for April 2020, the number of expected eligible employees for each JobKeeper fortnight in April.

If your business is a partnership, trust or company, your number of eligible employees must not include the eligible business participant. **If your business doesn't have any employees, leave these fields as '0'. Enter the number of employees you paid during the fortnights generated (fortnight will change depending on what month you chose in the step above)**

**Number of eligible employees** who have been or will be remunerated \$1,500 or more (this may include wages, tax and salary-sacrificed super) for each JobKeeper fortnight:

JobKeeper fortnight one (30 March - 12 April) \*

3 employees

JobKeeper fortnight two (13 - 26 April) \*

3 employees

**Eligible business participant:** whether you intend to register an eligible business participant for a partnership, trust or company or yourself as a sole trader.

Are you intending to register an eligible business participant?\*

Yes  No

Does the employing entity's business participant **meet all** of the following?\*

- > relevant individual actively engaged in the entity's business
- > relevant individual aged 16 or over (or 18 years if beneficiary in the case of the Trust)
- > had an ABN on 12 March 2020
- > had assessable income in 2018-2019 income year and provided notice to the Commissioner on or before 12 March 2020 OR made a supply in 1 July 2018 – 12 March 2020 and provided notice to the Commissioner on or before 12 March 2020
- > you are an Australian resident (within the meaning of section 7 of the Social Security Act 1991), or a resident for income tax purposes and was the holder of a special category (Subclass 444) visa.
- > you are not an employee (other than a casual employee) of another entity

Yes  No

Contact and bank details: the employing entity's financial institution and contact details for payment.

Financial institution details for employing entity

**!** Do not provide agency trust account information  
Ensure you enter the financial institution details for the employing entity.

Account name\*

Brain Peabody Inc.

BSB\*

03 35433

Account number\*

2343 4672

I have checked the account details are for the employing entity and confirmed these are correct.

Notify all your eligible employees that you have nominated them. You must do this by the end of April to claim JobKeeper payments for April.

## STEP 2 – IDENTIFY AND MAINTAIN YOUR ELIGIBLE EMPLOYEES

You need to:

- Identify each employee that you will claim the JobKeeper payment for, and
- Maintain their details each month.

You only need to identify eligible employees once. However, you need to maintain the list monthly and advise of changes to your eligible employees. If you have an eligible business participant, remember not to include them as an employee.

### How to identify your eligible employees

You can identify your eligible employees in one of the following ways:

- Directly into your payroll software by 30 April 2020, providing your software has been updated with JobKeeper functionality
- Through the business portal
  - Log into the business portal from **4 May 2020**
  - If you are a partnership, trust or company, you can register the details of the eligible business participant and provide a start period.
  - Identify eligible employees for each JobKeeper fortnight

- Select eligible employees from a list of employees pre-filled from your STP pay reports (if using single touch payroll)
- If your business doesn't have single touch payroll, enter the tax file number and date of birth of each eligible employee manually.
- If your business is a partnership, trust or company, you can register the details of the eligible business participant and provide a start period.
- Add up to 40 employees that are potentially eligible but not prefilled, if required.

### STEP 3 – MAKE A BUSINESS MONTHLY DECLARATION

Each month you must reconfirm the eligibility of your business and your reported eligible employees.

You must also provide information as to your current and projected GST turnover. This is not a retest of your eligibility, but rather an indication of how your business is progressing under the JobKeeper payment scheme.

Each month you must:

- Ensure you have paid your eligible employees at last \$1,500 per eligible employee per fortnight.
- Log into the Business Portal to
  - Review the number of eligible employees for each JobKeeper fortnight
  - Update your eligible employees if any of your eligible employees change or leave your employment
  - Provide your current and projected GST turnover
  - Re-confirm your contact and bank details for payment.

## JOBKEEPER – SOLE TRADERS, PARTNERSHIPS, TRUSTS AND COMPANIES WHO ARE NOT EMPLOYEES

### Eligibility

Sole traders, partnerships and trusts may be entitled to the JobKeeper payment scheme. Your entity may be eligible for the JobKeeper payment if you:

#### Have a non-employee individual who is actively engaged in the operation of the business

Your non-employee individual is an eligible business participant of your entity for the fortnight if they meet all of the following:

- They are an individual **not employed** by your entity
- They are actively engaged in the business carried out by your entity (at 1 March 2020 and for the fortnight you are claiming)
- They are one of the following (at 1 March and for the fortnight you are claiming)
  - A sole trader
  - A partner in a partnership
  - An adult beneficiary of the trust
  - A shareholder or directly in the company
- As at 1 March 2020, they are both:
  - Aged at least 16
  - An Australian resident or a resident for income tax purposes and the holder of a special category (Subclass 444) visa.
- They are not currently receiving parental leave or Dad and partner pay
- They are not currently totally incapacitated for work and receiving payments under an Australian workers' compensation law in respect of their total incapacity to work.

## Meet the other relevant eligibility requirements

Your entity is eligible if:

- On 1 March 2020, it carried on business in Australia
- It satisfies the fall in turnover test (as mentioned above in this article)
- It satisfied certain conditions as at 12 March 2020, being
  - It had an ABN on 12 March 2020 **and**
  - it had lodged, on or before 12 March 2020, at least one of
    - a 2018-19 income tax return showing that it had an amount included in its assessable income in relation to it carrying on a business; or
    - an activity statement or GST return for any tax period that started after 1 July 2018 and ended before 12 March 2020 showing that it had made a taxable, GST free or input-taxed sale.

## **SOLE TRADER**

### **How to prepare**

- check you and your business meet the eligibility requirements, including the turnover test
- if you have employees, check they meet the eligibility requirements and continue to pay them at least \$1,500 per JobKeeper fortnight
- Notify all your eligible employees that you are intending to claim the JobKeeper payment on their behalf and check they aren't claiming JobKeeper payment through another employee or have nominated through another business.
- send the JobKeeper nomination notice <https://www.ato.gov.au/uploadedfiles/content/cr/d1aab7f2-fbe8-44b8-9ec1-4885ded1088e.pdf> to all your eligible employees to complete and return to you by the end of April 2020. Keep it on file and provide a copy to your registered BAS agent or us if we are preparing the application for you.

### **Step 1 – Enrol and nominate for the JobKeeper Payment**

- You, your BAS Agent or our Firm as Tax Agent can enrol for the JobKeeper Payment
- This can be done through myGov or the Business Portal using myGovID
- Enrol and nominate by confirming:
  - Your business has experienced a fall in turnover of at least 30% (as detailed above)
  - Expected number of eligible employees (if you have them)
  - Your bank and contact details for payment
  - You are a sole trader nominating as an eligible business participant.
- Notify all your eligible employees if you have nominated them
- To ensure you receive your JobKeeper payments as early as possible, you should enrol by the end of April. However, enrolments are open until the end of May if you need more time.

### **Step 2 – Identify and maintain your eligible employees or business participants**

- You, your BAS Agent or our Firm as Tax Agent can identify each eligible employee or eligible business participant that you will claim the JobKeeper payment for and maintain their details each month.
- If you are nominating yourself as the eligible business participant, log into myGov or the Business Portal and confirm your details
- If you don't have employees log into myGov or the Business Portal to confirm you don't have any employees to identify.
- If you do have employees, you can identify your employees in one of the following ways:
  - Directly into your Single Touch Payroll software if it is updated with JobKeeper functionality. You'll need to confirm the number of eligible employees through myGov or the Business Portal.
  - if you do not have Single Touch Payroll software or your software is not updated with JobKeeper functionality then through myGov or the Business Portal.
  - If you have more than 40 employees, you can create your own JobKeeper employee report using the JobKeeper Payment Guide sample payload files. An example can be found here [https://www.ato.gov.au/uploadedFiles/Content/CR/downloads/Sample\\_JK\\_payload.xlsx](https://www.ato.gov.au/uploadedFiles/Content/CR/downloads/Sample_JK_payload.xlsx)

This file then needs to be uploaded via the Business Portal Transfer file function.

### **Step 3 – Make a business monthly declaration**

- Each month, you must reconfirm your reported eligible employees and yourself as the eligible business participant through myGov or the Business portal.
- If you eligible employees change or leave your employment, you will need to notify us through this monthly declaration
- You must also provide information as to your current and projected GST turnover. This is not a retest or your eligibility, but rather an indication of how your business is progressing under the JobKeeper payment scheme.

#### **Example – sole trader**

*Jameela is a sole trader and operates a cupcake business. She is an Australian resident with an ABN and has been running her business since 2017. Jameela runs her business as a sole trader with no employees*

*Jameela projects a fall in turnover in her cupcake business of approximately 80% in April 2020 compared with April 2019 as a result of the coronavirus.*

*Jameela is an eligible participant and qualifies for the JobKeeper payment scheme.*

#### **Example – sole trader and an employee**

*Zora is a sole trader and actively manages her florist business. She is also employed in another business owned by another entity on a permanent part time basis as an administrative assistant.*

*The flowers business has suffered a significant downturn due to the coronavirus. Zora's hours at her office job have been cut as a result of the coronavirus causing a decline in the business of her employer.*

*Zora is an eligible employee for the purpose of the JobKeeper payment scheme in respect of her part time job as an administrative assistant, and her employer qualifies for a JobKeeper payment in respect of her employment.*

#### **Example – sole trader with more than one business**

*Matthew is a sole trader and actively manages two businesses:*

- *Matt's Sculptures, which sells handmade art sculptures at markets and galleries; and*
- *Matt's Designs which is a graphic design business.*

*Both businesses are operated in Australia and have annual turnovers between \$60,000 - \$80,000. Matthew has an ABN, is 43 years old and is an Australian resident.*

*Both businesses have experienced a fall in turnover as a result of the coronavirus. Matt's Sculptures has ceased selling at markets and galleries while they are closed but continues to operating selling sculptures online and using a delivery service. Matt's Designs continues to operate through an online platform.*

*Matthew forecasts that his turnover will fall by 45% in April 2020 compared with April 2019, due to a reduction in work contracts and discretionary spending by customers.*

*Matthew is an eligible business participant, satisfying all requirements. Matthew cannot, however, qualify for the JobKeeper payment twice on the basis that he runs two businesses. He can only nominate under the JobKeeper payment scheme himself as the eligible business participant for the entity (himself as sole trader).*

*It would also make no difference if one of the businesses was structured as a company that he was the director/shareholder of. He can only nominate himself once as an eligible business participant for the JobKeeper payment.*

## PARTNERSHIP, TRUST OR COMPANY

### How to prepare

- Check you and your business meet the eligibility requirements, including the turnover test
- download the JobKeeper eligible business participant nomination notice form <https://www.ato.gov.au/assets/0/104/300/362/5f4639ad-8475-4d66-a4f3-4ff0ef2d79f7.pdf> and ensure one eligible business participant has completed the nomination notice and return it to you. You do not need to send this form to the ATO.
- If you have employees, check they meet the employee eligibility requirements.
- Continue to pay at least \$1,500 to each employee per JobKeeper fortnight.
- Notify all your eligible employees that you are intending to claim the JobKeeper payment on their behalf and check they aren't claiming JobKeeper payment through another employee or have nominated through another business.
- send the JobKeeper nomination notice <https://www.ato.gov.au/uploadedfiles/content/cr/d1aab7f2-fbe8-44b8-9ec1-4885ded1088e.pdf> to all your eligible employees to complete and return to you by the end of April 2020. Keep it on file and provide a copy to your registered BAS agent or us if we are preparing the application for you.

### Follow Steps 1-3 of the Sole Trader details above.

#### **Example – partner in a partnership**

*Danelle, Shelley and Calvin are individual partners in a partnership operating an Australian business, DSC Accounting. The partnership was formed in 2012 and has an ABN. AS they are partners, they are not employees, and they each receive partnership distributions. There are also four full-time staff employed by the partnership. Each of the partners and employees are over 16 and are Australian residents.*

*On 10 April 2020, DSC Accounting projects a fall in turnover of approximately 25% compared to March 2019 and April 2019. It also projects that for the quarter April to June 2020 a 25% fall in turnover compared to the April to June 2019 quarter. Accordingly, the business is not qualified for the JobKeeper payment scheme at this time.*

*However, on 4 May 2020, a fall in turnover of 45% for May 2020 is projected, when compared to May 2019. Therefore, the business meets the requirements for fall in turnover from that time onwards.*

*As only one of the partners can be nominated as the eligible business participant for the JobKeeper payment, the partnership will need to decide which individual this is. This choice applies for the duration of the time the business is participating in the JobKeeper payment scheme. The entitlement to the JobKeeper payment as a business owner applies even if there were no employees in the business.*

*For DSC Accounting, if the JobKeeper eligibility conditions for paid employees are satisfied, the business could also qualify for JobKeeper payments for each of its eligible employees.*

**Example – Beneficiary of a trust**

*Fabian is a personal trainer and operates both a gym and an online training program. Fabian runs his Australian business through a discretionary trust where he is a beneficiary and receives trust distributions.*

*The trust was settled and acquired an ABN in 2011. Fabian is not employed by his business but actively manages the business and is not employed elsewhere. He also has one permanent part time employee. He also has one permanent part time employee.*

*The gym closed on 20 March 2020. The online personal training platform is still operating, and Fabian is focusing on growing this part of his business. As a result of the gym closure, the trust's turnover is expected to fall by 70% in April 2020 compared with April 2019.*

*Fabian is 36 and an Australian resident. Fabian is an eligible business participant and the trust qualifies under the JobKeeper payment scheme, with the trust receiving the JobKeeper payment.*

*The trust could also qualify for an additional JobKeeper payment if the part time employee is eligible.*

**Example –Passive income through a trust**

*Sharon is a beneficiary of her family trust, SN Family Trust. The trust was settled in 2005 with a residential property and it subsequently purchased two more residential properties. The properties are managed by a local agent and are intended to generate passive rental income for the trust. The trust has no business activities, rather the properties are capital assets that generate rental income. Sharon receives income through distributions from the Trust and this is her only source of income.*

*The trust projects a fall in turnover of 60% for the April 2020 to June 2020 quarter compared to the April 2019 to June 2019 quarter, due to two of the properties being unable to pay rent.*

*The trust does not qualify for the JobKeeper payment, as it was not carrying on a business in Australia on 1 March 2020.*

*If the trust also ran a property development business, then it could qualify assuming it met the turnover tests for that business as it was carrying on a business in Australia on 1 March 2020. Sharon must be actively engaged in the business operations of the trust to be an eligible business participant. Because of this the trust would not be able to nominate her in respect of a JobKeeper payment. The trust could however nominate another individual if they satisfy the conditions as an eligible business participant.*

**If you make a mistake in the JobKeeper application, you will need to call the ATO on the following numbers:**

**Individuals – 13 28 61**

**Businesses – 13 28 66**

**The lines are open Monday – Friday from 8am to 10pm and Saturday & Sunday from 10am to 4pm.**

## CONTACT US

Our Office remains open for business however, we have closed the doors to the public and our Accountants are now working remotely from home until the Government allows us to return to work in the Office. Please phone the office on 07 4038 8888 and Angela will arrange for the Accountant to call you back, or alternatively email us at: -

David Goodman      [david@dgca.com.au](mailto:david@dgca.com.au)  
Mandy Beeton        [mandy@dgca.com.au](mailto:mandy@dgca.com.au)  
Rachel Grant         [rachel@dgca.com.au](mailto:rachel@dgca.com.au)

**Return phone calls from the Accountant will display as unknown number.**

**You can now find us on Facebook and Instagram, and we will be posting updates regularly to keep you informed.**

**If you are satisfied with our service, please do us the honour of leaving a review!**

We are here to support all of our clients and provide advice regarding your particular situation.

Suite 16 Level 1 'Stanton Place'  
2-4 Stanton Road  
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## JOBKEEPER EXAMPLE – CASE STUDY

Darren runs a café in Cairns. The business started in 2014 and he has had an ABN since then. He operates as a sole trader and employs 3 staff. Those staff consist of one full time chef, a part time waitress working 30 hours per week and a casual waiter who works every Friday and Saturday night and fills in when it's busy. The casual waiter has been employed since 1<sup>st</sup> January 2019.

Due to the COVID-19 restrictions, Darren's café was forced to cease operating. He aims to continue to try and provide take away only but due to his location and lack of traffic, he anticipates that his turnover will decline by approximately 50% (GST turnover) in April 2020 (turnover test period), then compared April 2019 (turnover comparison period).

As his business turnover would be under \$1 billion, Darren's turnover has declined by more than 30% and therefore he qualifies for JobKeeper.

He had to stand down his casual and his part time waitress and has only retained his chef to cook meals for takeaway, while Darren runs the front end of the shop. He wants to retain all his staff though so that he can continue operations when the COVID-19 restrictions are lifted.

Before the force closure he was paying his staff through his Single Touch Payroll software the following:

Staff member	Salary (before tax)	Super
Chef	\$2,000 / fortnight	\$190 / fortnight
Part Time Waitress	\$1,500 / fortnight	\$142.50 / fortnight
Casual Waiter	\$800 / fortnight	\$76 / fortnight
<b>Total</b>	<b>\$4,300 / fortnight</b>	<b>\$408.50 / fortnight</b>

Darren speaks to his staff to advise them that he wants to include them in the JobKeeper Payment Scheme. None of the employees are employed elsewhere, are all over 16 and Australian residents. All were employed as at 1 March 2020 and the casual has been employed on a regular and systematic basis for over 12 months. This therefore makes them all eligible employees. He has them fill out the 'JobKeeper employee nomination notice' for him to retain in his records.

As he wants to retain all of his employees, he needs to now pay them through his Single Touch Payroll software the following for the fortnights ending 12 April 2020 and 26 April 2020.

Staff member	Salary (before tax)	Super
Chef	\$2,000 / fortnight	\$190 / fortnight
Part Time Waitress	\$1,500 / fortnight	\$142.50 / fortnight
Casual Waiter	\$1,500 / fortnight	\$76 / fortnight
<b>Total</b>	<b>\$5,000 / fortnight</b>	<b>\$408.50 / fortnight</b>

Even though the casual waiter didn't earn \$1,500 / fortnight before, Darren must now pay him this amount and deduct the relevant tax from it. Darren however is not legally required to pay superannuation on the \$700 additional salary, only the superannuation on his regular salary of \$800 / fortnight.

As Darren is a sole trader, he is considered an 'eligible business participant' and needs to satisfy that he is also eligible to claim the JobKeeper payment for himself. Darren did not work for anybody else and was actively engaged in the running of his business, is over 16 and is an Australian resident.

On 22 April 2020, Darren chooses to apply for the JobKeeper through the ATO Business Portal.

He fills in the following fields.

## Eligibility information

Ensure all information provided below complies with [legislation for receiving the JobKeeper](#) wage subsidy, and that you are an employer or business that qualifies for the JobKeeper wage subsidy.

Are you an entity that is registered with the Australian Charities and Not-for-profits Commission (but not a university or school)? \*

Yes  No

Does your aggregated turnover **exceed \$1 billion dollars** per annum? \* ?

Yes  No

**i** You will work out your decline in turnover using GST concepts. You will need to work out current GST turnover and projected GST turnover. This may include using amounts reported on business activity statements. It includes all taxable supplies and GST-free supplies.

For which month have you experienced or are likely to experience a reduction in turnover of **30% or more**? \*

April

Has your turnover for the entity for the selected month (or the quarter including the selected month) fallen, or is likely to fall by **30% or more**? \*

Yes  No

### Number of JobKeeper eligible employees paid during April

#### **i** Employees paid monthly

If an employee is paid for the full month and is an eligible employee for each fortnight, include them twice, once in each field.

**Number of eligible employees** who have been or will be remunerated \$1,500 or more (this may include wages, tax and salary-sacrificed super) for each JobKeeper fortnight:

JobKeeper fortnight one (30 March - 12 April) \*

3 employees

JobKeeper fortnight two (13 - 26 April) \*

3 employees

**!** There will be an obligation on you to establish eligibility and that of your employees. This program will be subject to ATO compliance activities. **Penalties apply for making a false or misleading statement.** Note employees must provide you with a completed [nomination form](#) accepting JobKeeper payments.

**i** In addition to eligible employees the JobKeeper wage subsidy allows enrolment of one eligible business participant. See Help for further information.

Are you intending to register an eligible business participant? \* ?

Yes  No

Does the entity's business participant **meet all** of the following? \*

- > relevant individual is not employed by the entity at any time in the fortnight
- > relevant individual actively engaged in the entity's business
- > relevant individual aged 16 or over (or 18 year if beneficiary in the case of the Trust)
- > relevant individual is not currently receiving parental leave pay, dad and partner pay
- > relevant individual is not currently totally incapacitated for work and receiving payments under an Australian workers' compensation law in respect of their total incapacity to work
- > relevant individual is an Australian resident (within the meaning of section 7 of the *Social Security Act 1991*), or a resident for income tax purposes and was the holder of a special category (Subclass 444) visa.
- > relevant individual is not an employee (other than a casual employee) of another entity

Yes  No

## Financial institution details for employing entity

### Do not provide agency trust account information

Ensure you enter the financial institution details for the employing entity.

Account name \*

Cairns Italian Cafe

BSB \*

064836

Account number \*

11158796

I have checked the account details are for the employing entity and have confirmed these are correct. \*

## Contact details

Name \*

Darren Smith

Phone/mobile number \*

0412578963

Email \*

darren@cairnssitaliancafe.com

Confirm email \*

darren@cairnssitaliancafe.com

## Declaration

- > I have prepared this document in accordance with the information supplied by the entity.
- > I have received a declaration from the entity stating that the information provided to me is true and correct.
- > I am authorised by the entity to give this document to the Commissioner.

**Privacy:** For important information about your privacy see our [Privacy Notice](#)

Tick this box to sign this declaration with the identification details you used to log-in. \*

Submit

As Darren is applying for JobKeeper for himself as a sole trader and his 3 staff, he then needs to log in to the Business Portal again from 4<sup>th</sup> May 2020 to identify the employees who are receiving JobKeeper.

He will need to provide details for himself as the 'eligible business participant' and provide a start period (in Darren's case this would be the fortnight ending 12<sup>th</sup> April 2020). He then needs to identify the employees for each JobKeeper fortnight by selecting each eligible employee from the pre-filled Single Touch Payroll reports.

Meanwhile, Darren continues to run his business and pay his staff. Each month he is required to make a monthly declaration of the current and projected GST turnover as well as the number of eligible employees you paid each fortnight.

From the first week of May 2020, Darren will start to receive the reimbursement of \$1,500 per eligible employee and himself for each fortnight that they were paid. For the month ended April 2020, the outcome would look like this:

Staff Member	Paid (before tax)	Reimbursed by ATO	Out of pocket
Darren (sole trader)	\$0	\$3,000	\$0
Chef	\$4,000	\$3,000	\$1,000

Waitress part time	\$3,000	\$3,000	\$0
Waiter casual	\$3,000	\$3,000	\$0
Total	<b>\$10,000</b>	<b>\$12,000</b>	

Effectively, this allows Darren to retain his staff during the downturn period for only \$1,000 out of pocket per month, opposed to \$8,600/month (\$4,300/fortnight) before the force closure.