



JOBKEEPER 2.1

On 21 July, the Government announced it is extending the JobKeeper Payment until 28 March 2021 and is targeting support to those businesses and not-for-profits which continue to be significantly impacted by the Coronavirus.

From 28 September 2020, eligibility for the JobKeeper Payment will be based on actual turnover in the relevant periods, the payment will be stepped down and paid at two rates. Further changes were announced on 7 August 2020 to adjust the reference date for employee eligibility and make it easier for organisations to qualify for the JobKeeper Payment extension from 28 September 2020.

KEY POINTS

- The existing JobKeeper scheme will continue to apply as originally introduced until **27 September 2020**
- The new JobKeeper extension will apply for an additional 6 months from **28 September 2020** to **28 March 2021** (broken into 2 quarters).
- The reference date for assessing which employees are eligible for the JobKeeper payment is now 1 July 2020 (previously 1 March 2020) with effect from 3 August 2020. This may mean employees not eligible to receive JobKeeper in the current scheme, may be eligible from 3 August 2020.
- The JobKeeper payment rate will reduce from the current \$1,500 per fortnight from 28 September 2020 to a two tiered system which will be based on the average hours worked in the two fortnights prior to either 1 March 2020 or 1 July 2020.
- The new JobKeeper Extension, the decline in turnover tests will now be based on actual rather than projected turnover and eligibility is required to be tested for both the September 2020 and December 2020 quarters. Businesses will need to demonstrate that they have met the relevant decline in turnover test in each quarter to be eligible.
- The existing JobKeeper and JobKeeper extension will continue to be available to new participants in the scheme provided they meet the relevant tests. This includes carrying on a business and having eligible employees as at 1 July 2020.

EMPLOYER ELIGIBILITY

The percentage rate used to determine your reduction in turnover has remained unchanged. Employers may be eligible where the businesses' aggregated turnover has reduced relative to a comparable period (of at least one month) a year ago by:

- 30% if turnover under \$1b
- 50% if turnover over \$1b
- 15% for not-for-profits

From **28 September 2020**, businesses and not-for-profits will be required to assess/reassess their eligibility with reference to their **actual turnover**, rather than projected turnover to receive payments. This test is now per quarter and will be as follows:

- In order to be eligible for the first JobKeeper payment from **28 September 2020 to 3 January 2021**, all businesses will need to demonstrate that their actual GST turnover in the September 2020 quarter has fallen by the required % compared to the September 2019 quarter.
- In order to be eligible for the second JobKeeper payment extension period of **4 January 2021 to 28 March 2021**, businesses will need to demonstrate that their actual GST turnover in the December 2020 quarter has fallen by the required % compared to the December 2019 quarter.

Businesses and not-for-profits will generally be able to assess eligibility based on details reported in the Business Activity Statements (BAS). Alternative arrangements will be put in place for those that are not required to lodge a BAS. Businesses will need to assess their eligibility for JobKeeper in advance of the BAS lodgement deadline in order to meet the wage condition (which requires them to pay their eligible employees in advance of receiving JobKeeper payment in arrears from the ATO).

The JobKeeper payment will continue to remain open to new recipients, provided they meet the eligibility requirements and the turnover tests that apply during the relevant JobKeeper payment period.

It is important to note if you are currently receiving JobKeeper, you will continue to receive payments until 27 September 2020, but after that date you will be required to reassess your turnover as stated above in order to continue receiving JobKeeper.

The extended scheme may mean some businesses who have recovered will no longer be eligible beyond 28 September 2020. As it is tested on a quarterly basis, if you are not eligible for payments between 28 September 2020 to 3 January 2021, you may be eligible again from 4 January 2021 and can then reassess.

Where it is not appropriate to compare actual turnover in a quarter in 2020 with actual turnover in a quarter in 2019, the Commissioner has the discretion to set out an alternative test to establish your eligibility in specific circumstances.

Example - Retesting turnover under the JobKeeper extension

Carmen owns and runs the City Café. Carmen started claiming the JobKeeper Payment for her eligible staff and herself as a business participant when the JobKeeper Payment commenced on 30 March 2020. At the time, Carmen estimated that the projected GST turnover for City Café in April 2020 would be 70 per cent below its actual GST turnover in April 2019. To be eligible for the JobKeeper Payment from 30 March 2020 to 27 September 2020, Carmen needed to show the turnover for the City Café was estimated to decline by at least 30 per cent.

As a monthly BAS lodger, Carmen submitted her BAS for the City Café in July, August and September. For each of these, her actual turnover was as follows:

	2020	2019
July	\$110,000	\$200,000
August	\$140,000	\$200,000
September	<u>\$150,000</u>	<u>\$200,000</u>
Total for Sept Quarter	\$400,000	\$600,000

Decline for September quarter: 33 per cent

The actual turnover decline for the September 2020 quarter is greater than 30 per cent, so City Café is eligible for the JobKeeper Payment for the period of 28 September 2020 to 3 January 2021.

Business continued to improve for the City Café, and actual turnover for the December 2020 quarter was 20 per cent less than the December quarter 2019, so the City Cafe was no longer eligible to claim the JobKeeper for the second extension period starting from 4 January 2021.

WORKER ELIGIBILITY

Previously, to be eligible an employee must have been employed by the business on 1 March 2020. This is now not the case. Employees may now be eligible if they were employees as at 1 July 2020.

Employees are eligible in the extension period if they:

- Are currently employed by an eligible employer (including if they were stood down or re-hired)
- Were for the eligible employer either:
 - A full-time employee or fixed-term employee at 1 July 2020; or
 - A long-term casual (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 16 or 17 can also qualify if you are independent or not undertaking full time study)
- Were either:
 - An Australian resident (within the meaning of the Social Security Act 1991); or
 - An Australian resident for the purpose of the Income Tax Assessment Act 1936 and the holder of a Subclass 444 visa as at 1 July 2020
- Were not in receipt of any of these payments during the JobKeeper fortnight:
 - Government parental leave or Dad and partner pay under the Paid Parental Leave Act 2010; or
 - A payment in accordance with the Australian worker compensation law for an individual's total incapacity for work.

Only one employer can claim the JobKeeper payment in respect of an employee.

The self-employed will be eligible to receive the JobKeeper payment where they meet the relevant turnover test, and are not a permanent employee of another employer.

ONE-IN ALL-IN PRINCIPLE

The one-in all-in principle with regards to JobKeeper is a key feature of the scheme to ensure that employers cannot select which employees will participate in the scheme and those who won't. Employees can choose not to participate, but the employer cannot choose to exclude them if they wish to participate and are eligible.

Employers will need to look at their employees who were on their payroll as at 1 July 2020 to determine if they are eligible, when they previously may not have been under the previous JobKeeper program. This may include employees who:

- were not on the payroll as at 1 March 2020 but were as at 1 July 2020 (e.g. part time and full time staff)
- were employees who were stood down and subsequently re-engaged prior to 1 July 2020
- casual employees who may not have been employed for 12 months at 1 March 2020, but have been as at July 2020
- employees who were not 18 as at 1 March 2020 but are now 18 as at 1 July 2020

Where these employees are identified as eligible employees they will need to also be enrolled in JobKeeper from 3 August 2020 or will be at risk of breaching the 'one in all in' principle and the JobKeeper minimum wage condition under the Fair Work Act.

If this applies to you, ensure that you have given your eligible employees their JobKeeper nomination forms as soon as possible and make their JobKeeper payments from 3 August 2020 prior to 31 August 2020.

JOBKEEPER PAYMENT

Currently, the JobKeeper payment until 27 September 2020, is \$1,500 per fortnight for all eligible employees participating in the scheme. From **28 September 2020** and **4 January 2021** the rate of payments will change to a two tier system and will depend on the number of hours worked on average per employee. For the purposes of this summary we will refer to the two tiered payments as either the 'full rate' or the 'reduced rate'.

WORKED HOURS - EMPLOYEES

From **28 September 2020**, eligibility for the 'full rate' of JobKeeper will apply if the employee's working hours in the 4 weeks (or 2 fortnights) of pay periods before either 1 March 2020 or 1 July 2020 were more than 20 hours per week on average.

If the worked hours on average were less than 20 hours per week, the employee will be paid the 'reduced rate'.

If the employee's hours were not usual during the February 2020 or June 2020 reference period, the employer can apply to the ATO for an alternative test.

WORKED HOURS - ELIGIBLE BUSINESS PARTICIPANTS

The same working hours test applies for eligible business participants (such as sole traders, partners in a partnership, company shareholders and adult beneficiaries of a trust) if they can show that they were 'actively engaged in the business'.

This means that for the reference period February 2020 or June 2020, the eligible business participant was actively engaged in keeping their business running for more than 20 hours per week, they will be eligible for the 'full rate'. If the hours spent actively engaged in the business were less than 20 hours per week, they will be eligible for the 'reduced rate'.

Being 'actively engaged' in the business means you were directly involved in operating and running the business during that time.

PAYMENT RATES

From **28 September 2020** and **4 January 2021** the JobKeeper minimum payment rates will change to the following:

HOURS WORKED/PAYMENT RATE

20+ HOURS PER WEEK (FULL RATE)		LESS THAN 20 HOURS PER WEEK (FULL RATE)	
PERIOD	PAYMENT	PERIOD	PAYMENT
28 September 2020-3 January 2021	\$1,200/fortnight	28 September 2020-3 January 2021	\$750/fortnight
4 January 2021-28 March 2021	\$1,000/fortnight	4 January 2021-28 March 2021	\$650/fortnight

Example - Working out JobKeeper Payment rate to be claimed

In the previous example 'Retesting turnover under the JobKeeper extension', Carmen also needs to calculate how much to claim for each of her staff, and for herself as a business participant.

As Carmen was working full-time at the café herself throughout February 2020, she is entitled to claim \$1,200 per fortnight from 28 September 2020 to 3 January 2021, as an eligible business participant.

She has three full-time employees who are also eligible to be paid \$1,200 per fortnight because they each worked 20 hours or more per week throughout February 2020.

Carmen has an employee, Chris, who works part-time with different hours every other week: 14 hours one week; and 22 hours the next week. During the two pay fortnights prior to 1 March 2020, Chris was employed for 36 hours in each fortnight. On average, Chris worked less than 20 hours per week for City Café. Carmen is eligible to claim \$750 per fortnight for Chris, from 28 September 2020 to 3 January 2021.

Cathy is an eligible employee who worked on a long-term casual basis during February 2020 and June 2020. To determine what rate of JobKeeper Payment to claim for Cathy, Carmen looks at pay records for the two fortnightly pay periods before 1 March 2020 and 1 July 2020. She sees that Cathy was employed on average less than 20 hours per week, so Carmen claims \$750 per fortnight for Cathy, from 28 September 2020 to 3 January 2021.

Carmen also started employing Charles, who works part-time, from June 2020 when business started picking up again. Because Charles was employed at City Café before 1 July 2020, Carmen looks at pay records for the two fortnightly pay periods before 1 July 2020 to determine the rate of JobKeeper Payment to claim for Charles. Charles was employed on average less than 20 hours per week for this period, so Carmen claims \$750 per fortnight for Charles, from 28 September 2020 to 3 January 2021.

ENROLMENT FOR JOBKEEPER 2.1

The ATO have yet to put out the enrolment process for JobKeeper 2.1 or what is required in the monthly declarations. We will continue to monitor updates closer to 28 September 2020 to enable us to advise you on what is required and the process involved.

Our advice for now, is to ensure that you have maintained your accounting records on a timely basis, so that you can determine your eligibility as soon as the September 2020 Quarter has finished to enable you to enrol, pay your eligible employees and be reimbursed.

CHANGES TO JOBSEEKER

The new JobKeeper program may affect those individuals who are on JobSeeker, for example those employees were not eligible in the existing scheme, or eligible business participants who chose to receive JobSeeker rather than JobKeeper.

From **25 September 2020** until **31 December 2020** the rates, access to payments and income thresholds for JobSeeker and Coronavirus Supplement are also changing.

RATES

- The Coronavirus supplement will reduce from \$550 per fortnight, to \$250 per fortnight
- JobSeeker will reduce from \$1,000 per fortnight, to \$800 per fortnight.

The Government will also increase the income threshold to people on JobSeeker to \$300 per fortnight for those on JobSeeker or Youth Allowance. Income above \$300 per fortnight will see the payment reduced by 60c for every dollar over \$300.

ACCESS TO PAYMENTS

To ensure appropriate targeting of income support as the economy recovers, access to payments will change from 25 September 2020:

- **Means testing** - will be reinstated in the following ways:
 - asset testing for all payments will be reinstated, for both existing and new recipients; and
 - the Liquid Assets Waiting Period (LAWP) for all payments will be reinstated.
- **Partner income testing** - the partner income test cut-out will increase to \$3,086.11 per fortnight, or \$80,238.89 per annum, for individuals with no personal income, from 25 September 2020. The taper rate will increase from 25 cents to 27 cents, with the higher income cut-out a result of changes to income testing for JobSeeker Payment. No one will be worse off under these temporary changes.
- **Expanded Criteria** - JobSeeker and Youth Allowance (other) criteria will continue to provide payment access for permanent employees who are stood down or lose their employment and sole traders, the self-employed, casual workers and contract workers who meet the income and assets tests until 31 December 2020.

From 4 August 2020, there will also be a mutual obligation requirement where those seeking employment will need to undertake four job searches a month. The penalties regime will apply if people refuse a job that has been provided and offered through that process. Changes to the JobKeeper Payment may make some recipients of that payment also eligible for the JobSeeker Payment or other income support payments.

The Government is making further changes to income support arrangements for JobKeeper Payment recipients who transition onto income support.

More information regarding JobSeeker can be found at the Human Services website <https://www.servicesaustralia.gov.au/individuals/services/centrelink/jobseeker-payment>

CONTACT US

Our office is open and we are here to help. If you require assistance in understanding if your business is eligible for JobKeeper and advice please do not hesitate to contact our knowledgeable staff. Please phone the office on 07 4038 8888, or alternative email us at:-

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JobKeeper 2.1

JobKeeper 1.0: 30 March 2020 to 27 September 2020

JobKeeper 2.1: 28 September 2020 to 28 March 2021

For JobKeeper fortnights from 3 August 2020, the relevant date of employment will move from 1 March 2020 to 1 July 2020

JobKeeper rates and modified decline in turnover test



Hours worked by individual in the 4 wks before 1 Mar 2020 or 1 Jul 2020



30 Mar 2020 to 27 Sep 2020



28 Sep 2020 to 3 Jan 2021



4 Jan 2021 to 28 Mar 2021

	30 Mar 2020 to 27 Sep 2020	28 Sep 2020 to 3 Jan 2021	4 Jan 2021 to 28 Mar 2021
Hours worked by individual in the 4 wks before 1 Mar 2020 or 1 Jul 2020	20+ HOURS	20+ HOURS	20+ HOURS
	<20 HOURS	<20 HOURS	<20 HOURS
Rate	\$1,500 PER FORTNIGHT	\$1,200 PER FORTNIGHT	\$1,000 PER FORTNIGHT
	\$750 PER FORTNIGHT	\$750 PER FORTNIGHT	\$650 PER FORTNIGHT
GST turnover	Projected	Actual	Actual
Turnover test period	Month (Mar to Sep 2020) or Jun or Sep 2020 quarter	September 2020 quarter only	December 2020 quarter only
% Specified decline in GST turnover percentage	<ul style="list-style-type: none"> If aggregated turnover ≤ \$1b — at least 30% If aggregated turnover > \$1b — at least 50% ACNC-registered charities — at least 15% 		



Payroll cycles

The table below sets out the minimum amounts that employers need to pay to meet the wage condition, according to whether their payroll cycle is weekly, fortnightly or monthly.



Hours worked by individual
in the 4 wks before
1 Mar 2020 or 1 Jul 2020



30 Mar 2020
to 27 Sep 2020



28 Sep 2020
to 3 Jan 2021



4 Jan 2021
to 28 Mar 2021

Weekly payroll cycle

20⁺
HOURS



\$750
PER WEEK

\$600
PER WEEK

\$500
PER WEEK

<20
HOURS



\$375
PER WEEK

\$325
PER WEEK

Fortnightly payroll cycle

20⁺
HOURS



\$1,500
PER FORTNIGHT

\$1,200
PER FORTNIGHT

\$1,000
PER FORTNIGHT

<20
HOURS



\$750
PER FORTNIGHT

\$650
PER FORTNIGHT



Payroll cycles continued



Hours worked by individual
in the 4 wks before
1 Mar 2020 or 1 Jul 2020



30 Mar 2020
to 27 Sep 2020



28 Sep 2020
to 3 Jan 2021



4 Jan 2021
to 28 Mar 2021

Monthly payroll cycle

20⁺
HOURS



\$3,000¹

per month if based on
JobKeeper entitlement
for the month

\$2,400

per month if based on
JobKeeper entitlement
for the month

\$2,000²

per month if based on
JobKeeper entitlement
for the month

\$2,400

per month if based
on average over the
JobKeeper period

\$2,400

per month if based
on average over the
JobKeeper period

<20
HOURS



\$3,250

per month if based
on average over the
JobKeeper period

\$1,500

per month if based on
JobKeeper entitlement
for the month

\$1,300³

per month if based on
JobKeeper entitlement
for the month

\$1,525

per month if based
on average over the
JobKeeper period

\$1,525

per month if based
on average over the
JobKeeper period

¹ August 2020 would be \$4,500 instead of \$3,000 to include the payments for the three JobKeeper fortnights.

² January 2021 would be \$3,200 instead of \$2,000 to include the payment for the 20th JobKeeper fortnight, ending on 3 January 2021, of \$1,200.

³ January 2021 would be \$2,050 instead of \$1,300 to include the payment for the 20th JobKeeper fortnight, ending on 3 January 2021, of \$750.

Schedule of JobKeeper fortnights

JobKeeper fortnight		Month of payment by ATO	Monthly ATO payment per eligible individual
1.	30 March–12 April 2020	June 2020 (instead of May 2020)	\$3,000
2.	13–26 April 2020		
3.	27 April–10 May 2020	June 2020	\$3,000
4.	11–24 May 2020		
5.	25 May–7 June 2020	July 2020	\$3,000
6.	8–21 June 2020		
7.	22 June–5 July 2020	August 2020	\$3,000
8.	6–19 July 2020		
9.	20 July–2 August 2020	September 2020	\$4,500
10.	3–16 August 2020		
11.	17–30 August 2020		
12.	31 August–13 September 2020	October 2020	\$3,000
13.	14–27 September 2020		
14.	28 September–11 October 2020	November 2020	\$2,400 (full)
15.	12–25 October 2020		\$1,500 (partial)
16.	26 October–8 November 2020	December 2020	\$2,400 (full)
17.	9–22 November 2020		\$1,500 (partial)
18.	23 November–6 December 2020	January 2021	\$2,400 (full)
19.	7–20 December 2020		\$1,500 (partial)
20.	21 December 2020–3 January 2021	February 2021	\$3,200 (full)
21.	4–17 January 2021		\$2,050 (partial)
22.	18–31 January 2021		
23.	1–14 February 2021	March 2021	\$2,000 (full)
24.	15–28 February 2021		\$1,300 (partial)
25.	1–14 March 2021	April 2021	\$2,000 (full)
26.	15–28 March 2021		\$1,300 (partial)
TOTAL POSSIBLE AMOUNT PER INDIVIDUAL			\$33,900 (full)
			\$28,650 (partial)



No change

It is **not** expected that there will be any changes to:

- The requirement for employers to satisfy the wage condition
- The specified decline in turnover that a business must suffer (i.e. 15%, 30% or 50%)
- The Commissioner's alternative decline in turnover tests
- The special rules relating to service entity arrangements
- The ability of ACNC-registered charities to elect to exclude government grants from their turnover
- The meaning of 'eligible employee' and 'eligible business participant'
- The integrity rules, including the additional pre-12 March 2020 reporting requirements for businesses that qualify based on business participation
- The enrolment process
- The timing of the monthly payment of JobKeeper by the ATO in arrears
- The monthly reporting of turnover to the ATO
- The rule that prevents more than one employer claiming in respect of the same employee



ATO guidance/Further rules needed

- Businesses can use details reported in their BAS so alternative arrangements will be needed for entities that are not required to lodge an activity statement
- Alternative tests where the working hours of the individual in February 2020 or June 2020 were unusual
- How the new JobKeeper rates interact with weekly, fortnightly and monthly payroll cycles
- Alternative tests where the actual GST turnover in 2020 is not comparable with the equivalent quarter in 2019
- The meaning of 'actively engaged' to determine which JobKeeper rate applies to an eligible business participant
- The Commissioner will have discretion to allow an entity more time to pay employees to meet the wage condition, given that businesses would otherwise need to meet the wage condition before the BAS lodgment deadlines i.e. before they have determined if they are eligible



Further information

[Treasurer's media release](#)

[Treasury fact sheets](#)

[Three-month Review](#)

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