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COVID-19 JOBKEEPER PAYMENT

A REFERENCE GUIDE

JOBKEEPER PAYMENT

IN AN ECONOMIC RESPONSE TO THE COVID-19 PANDEMIC, THE AUSTRALIAN GOVERNMENT, VIA THE ATO, HAVE OUTLINED INITIATIVES TO SUBSIDISE WAGES FOR AUSTRALIAN BUSINESSES, IN AN EFFORT TO ENCOURAGE THOSE BUSINESSES TO CONTINUE EMPLOYMENT AND/OR BE IN A POSITION TO QUICKLY RESUME THEIR OPERATIONS.

The JobKeeper payment is intended to provide wage subsidies to businesses that are significantly affected by COVID-19. The Government has announced its intention to pass additional legislation to introduce this new measure. If legislation is enacted, support will be directed to employers to pass on to employees.

THE FOLLOWING IS A SUMMARY OF THE FACT SHEETS PROVIDED BY THE ATO.

You may view the full fact sheets [Here](#)

In summary, to receive the JobKeeper Payment, the following applies.

EMPLOYERS MUST:

- Register their intention with the ATO, and must be/or will experience a downturn.
- Inform the ATO of legible employees, including those engaged on 1 Mar 2020, and those currently hired (inc stood down or rehired employees). ATO will use Single Touch Payroll to pre-populate data.
- Ensure all eligible employees receive at least \$1500 per fortnight (before tax).

If previously, an employee earned less than \$1500 per fortnight, the employer can choose to top them up to \$1500 per fortnight (before tax) and then receive the full subsidy from the ATO.

If previously an employee earned more than \$1500 per fortnight (before tax), then they can continue to earn the same amount and the employer is reimbursed \$1500 per fortnight (before tax) for that employee.

- Notify eligible employees.
- Continue to provide information to the ATO on a monthly basis.

ELIGIBLE EMPLOYERS ARE:

- Turnover less than \$1 billion and envisage turnover will be reduced by more than 30%, compared to a comparable period (of at least 1 month) a year ago.
- Turnover more than \$1 billion and envisage turnover will be reduced by more than 50%, compared to a comparable period (of at least 1 month) a year ago.
- Not subject to Major Bank Levy.

Must have been in an employment relationship with the employee at 1 March 2020, and continue to engage the employee currently in order to receive JobKeeper Payments.

- NFPs and Self-Employed individuals that meet turnover tests are also eligible.

Note: Eligible Employers can claim JobKeeper Payments from 30 March 2020, for a maximum of 6 months only, ie, till 30 September 2020.

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ELIGIBLE EMPLOYEES ARE:

- Currently employed by the eligible Employer (including those stood down or re-hired).
- Were employed by that employer on 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).
- At least 16yrs of age.
- Australian citizen , holder of a permanent VISA, a PSG VISA holder, an NPSC VISA holder residing in Australia continually for 10yrs or more, or a Subclass 444 VISA holder.
- Not receiving JobKeeper from another Employer.

TO APPLY, YOU MUST:

- Register your interest with ATO via <https://www.ato.gov.au/general/gen/JobKeeper-payment/>
- Then, make an online application when advised to do so, perhaps once legislation has passed.
- Identify and advise eligible employees and provide monthly updates to the ATO.
- Ensure eligible employees will receive, at a minimum, \$1500 per fortnight, before tax.
- It is up to the employer if they want to pay super on any additional wage paid because of the JobKeeper Payment.

BUSINESS WITHOUT EMPLOYEES:

- Register your interest with ATO via <https://www.ato.gov.au/general/gen/JobKeeper-payment/>
- Then, make an online application when advised to do so.
- Provide ABN, nominate an individual to receive the payment and provide that individual's TFN and a declaration as to recent business activity.
- Self-employed people must provide a monthly update to ATO to declare their continued eligibility for the payments into their bank account.

Note: 1st payments will be received by employers from the ATO in the first week of May.

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THE FOLLOWING ARE PROVIDED BY THE AUSTRALIAN GOVERNMENT AS 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;

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.

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