

JOBKEEPER UPDATE

26 MAY 2020



BACKGROUND

Last week the ATO and Treasury advised the federal government of a reporting error in estimates of the number of employees likely to access the JobKeeper scheme. The enrolment forms completed by 910,055 businesses who self-assessed as eligible had indicated this program would cover around an estimated 6.5 million eligible employees. In light of those errors, Treasury has revised their figures and now estimates the number of employees likely to be covered by the scheme to be around 3.5 million.

The ATO's review found the most common error was that instead of reporting the number of employees' businesses expected to be eligible, they incorrectly reported the amount of financial assistance they expected to receive. For example, over 500 businesses with '1' eligible employee reported a figure of '1,500' (which is the amount of JobKeeper payment they would expect to receive for each fortnight for that employee).

WHAT DOES THIS MEAN FOR MY BUSINESS?

This reporting error has no consequences for JobKeeper payments that have already been made to eligible businesses, as payments under the scheme depend on the subsequent declaration that an eligible business makes in relation to each and every eligible employee. This declaration does not involve estimates and requires an employer to provide the tax file number for each eligible employee. By contrast, the only use of **the information collected in respect of the reporting error was to provide an early estimate** of the number of expected employees likely to access the JobKeeper program.

We remind members that all eligible employers who have enrolled but not yet made their employee declarations to ensure they complete their April declaration by 31 May 2020. Further, employers must declare their eligible employees on an on-going monthly basis, with May declarations having to be made by the 14th of June.

As part of representing our members and broader industry we seek your input in our just released JobKeeper survey. This will allow the RMC to inform government on the experiences of the industry and the effect of the JobKeeper scheme.

Should members have any query about the JobKeeper scheme please contact Charles Watson, GM – IR, Policy and Governance, charles@thermc.com.au to discuss any related issue.