

ECONOMIC STIMULUS: JOBKEEPER EXTENSION 21.07.20



JOBKEEPER SCHEME EXTENSION AND AMENDMENTS – 21 JULY 2020

Today the federal government has announced amendments to the JobKeeper wage subsidy scheme.

The JobKeeper scheme will be extended from the end of September 2020 until the end of March 2021.

TRMC provides the following synopsis of the announced amendments to the subsidy scheme.

BUSINESS ELIGIBILITY

From 28 September 2020, businesses seeking to continue claiming JobKeeper payments for eligible employees will be required to reassess their eligibility for the JobKeeper extension with reference to their actual turnover in the June and September quarters 2020. Businesses will need to demonstrate that they have met the relevant continuing decline in turnover test in both of those quarters to be eligible for JobKeeper from 28 September 2020 to 3 January 2021.

Businesses will need to further reassess their eligibility in January 2021 for the period from 4 January to 28 March 2021. Organisations will need to demonstrate that they have met the relevant continuing decline in turnover test in each of the previous three quarters to remain eligible for the March 2021 quarter.

To be eligible for JobKeeper payments under the extension, businesses will still need to demonstrate that they have experienced a decline in turnover, consistent with the current structure, as follows:

- > 50 per cent for those with an aggregated turnover of more than \$1 billion; or
- > 30 per cent for those with an aggregated turnover of \$1 billion or less.

If a business does not meet the additional turnover tests for the extension period, this does not affect their eligibility prior to 28 September 2020.

JOBKEEPER SUBSIDY PAYMENT RATES

The eligibility rules for employees remain unchanged. However, from 28 September 2020 the JobKeeper payment rate is to be reduced and paid via a two-tiered staggered approach:

- > From 28 September 2020 to 3 January 2021:
 - the payment rate will reduce from \$1,500 per fortnight to \$1,200 per fortnight for all eligible employees who, in the four weeks before 1 March 2020, were working in the business for 20 hours or more a week on average.
 - the payment rate will reduce to \$750 per fortnight for employees who were working in the business for less than 20 hours a week on average in the same period.

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- > From 4 January 2021 to 28 March 2021:
 - the payment rate will then reduce to \$1,000 per fortnight for all eligible employees who in the four weeks before 1 March 2020, were working for 20 hours or more a week on average.
 - the payment rate will reduce to \$650 per fortnight for employees who were working for less than 20 hours a week on average in the same period.

Businesses will be required to nominate which payment rate they are claiming for each of their eligible employees. The JobKeeper payment will continue to be made by the ATO to employers in arrears. Employers will continue to be required to make payments to employees equal to, or greater than, the amount of the JobKeeper Payment (before tax), based on the payment rate that applies to each employee.

TRMC will provide additional guidance on the JobKeeper scheme extension in the coming days and following the Treasurer's Budget address scheduled for 23 July 2020.

USEFUL LINKS

1. ATO - <https://www.ato.gov.au/general/jobkeeper-payment/>
2. Treasury Summary and Case Study examples - https://treasury.gov.au/sites/default/files/2020-07/Fact_sheet-JobKeeper_Payment_extension.pdf
3. The Real Media Collective COVID-19 Updates - <https://www.therealmediacollective.com.au/reference-material/>