

JobKeeper Payment

Updated for One-In All-In Rule Clarification

What is the JobKeeper Payment?

This payment is a wage subsidy payable by the Government to businesses impacted by Coronavirus so that businesses can continue paying their employees. This will keep more employees employed and support businesses in surviving the current crisis.

The wage subsidy payment is a fortnightly payment of \$1,500 per eligible employee from 30 March 2020 for a maximum of 6 months. The Government will commence making payments from the first week of May (backdated to 30 March 2020).

Which Employers are Eligible?

Employers will be eligible for the subsidy if:

- their business has a turnover of less than \$1 billion and their turnover will be reduced by more than 30 per cent relative to a comparable period a year ago (of at least a month); or
- their business has a turnover of \$1 billion or more and their turnover will be reduced by more than 50 per cent relative to a comparable period a year ago (of at least a month); and
- the business is not subject to the Major Bank Levy.

The employer must have been in an employment relationship with eligible employees as at 1 March 2020, and confirm that each eligible employee is currently employed by the business in order to receive JobKeeper Payments.

Not-for-profit entities (including charities) and self-employed individuals (**sole trader businesses without employees**) that meet the turnover tests that apply for businesses are eligible to apply for JobKeeper Payments.

Which Employees are Eligible

Eligible employees are employees who:

- are currently employed by the eligible employer (including those stood down or re-hired);
- were employed by the employer at 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);
- are at least 16 years of age;
- are an Australian citizen, the holder of a permanent visa, a Protected Special Category Visa Holder, a non-protected Special Category Visa Holder who has been residing continually in Australia for 10 years or more, or a Special Category (Subclass 444) Visa Holder; and
- are not in receipt of a JobKeeper Payment from another employer.



How to Apply

Businesses with employees need to do the following:

- **Register your interest** in applying for the JobKeeper Payment from 30 March 2020 - [Click Here to Enrol for the JobKeeper Payment](#);
- Subsequently, eligible employers will be able to apply for the scheme by means of an online application;
- Eligible employers will need to identify eligible employees for JobKeeper Payments and must provide monthly updates to the ATO;
- Participating employers will be required to ensure eligible employees will receive, at a minimum, \$1,500 per fortnight, before tax.

Businesses without employees (sole traders) need to do the following:

- **Register your interest** in applying for the JobKeeper Payment from 30 March 2020- [Click Here to Enrol for the JobKeeper Payment](#);
- Businesses without employees will need to provide an ABN for their business, nominate an individual to receive the payment and provide that individual's Tax File Number and provide a declaration as to recent business activity;
- People who are self-employed will need to provide a monthly update to the ATO to declare their continued eligibility for the payments. Payment will be made monthly to the individual's bank account.

What if Employees are Stood Down?

As long as the employee was employed by the business at 1 March 2020, the business can receive the \$1,500 per fortnight payment and pass this on to each employee for up to six months. This enables the business to maintain a connection to its employees and be in a position to resume operations when the crisis is over.

On 8th April 2020 there was fresh guidance from the Treasurer

Treasury has indicated that the decline in turnover test is linked to the GST turnover test in particular the projected GST turnover - which will take into account anticipated decline in revenue. The test requires a business to measure its projected GST turnover and compare this to what is termed a relevant comparison period. If this equals or exceeds the following thresholds, the entity satisfied the decline in turnover test:

- ACNC-registered charities - 15%;
- entities with turnover less than \$1bn - 30%;
- entities with turnover greater than \$1bn - 50%.

There is scope for the ATO to apply an alternative test to different classes of entities.

The turnover test period must be a calendar month that ends after 30 March 2020 and before 1 October 2020, or a quarter that starts on 1 April or 1 July 2020. The relevant comparison period must be the period in 2019 that corresponds to this turnover test period.



Further ATO guidance will be forthcoming

The turnover numbers must be reported to the ATO before any payments will start, though there is a transitional rule for the first 2 JobKeeper fortnights.

The key take-away points are while, at this stage, this is Treasury guidance:

- the test/comparison period vis-à-vis 2019 to 2020– spans from April to the end of September
- if 2019 is not representative of typical turnover, another comparison period may be considered
- the ATO is willing to exercise its discretion where there are anomalous cases.

For other frequently asked questions the Treasury has released a document where they have tried to answer questions that have been raised so far:

https://treasury.gov.au/sites/default/files/2020-04/JobKeeper_frequently_asked_questions.pdf

On 1 May 2020 the Treasurer made amendments to the JobKeeper legislation

(he has the power to do so, via legislative instrument) to clarify and strengthen the “one-in, all-in” principle relating to the Jobkeeper payment.

The following is a summary of the amendments:

Once an employer has notified the ATO that they will be participating in the JobKeeper scheme (in other words, they have enrolled), they must provide all “relevant employees” with the opportunity to participate.

A “relevant employee” is a person who:

- was employed at the date the employer enrolled in JobKeeper and
- satisfies the 1 March 2020 requirements (see earlier).

However, a relevant person does NOT include employees aged 16 or 17 at 1 March 2020 unless they also satisfy either of the following additional eligibility requirements:

- are independent** within the meaning of the Social Security Act 1991, or
- are not “undertaking full-time study” within the meaning of the Social Security Act 1991.

Said another way, employers must offer JobKeeper to all eligible employees, but not those terminated before the employer enrolled in JobKeeper (although you can for the period they were in your employ if you wish), and not for most underage casuals (although if you did and have since been paying them the \$1,500 per fortnight., you will get reimbursed for JK fortnights 1 through 3 only).

IMPORTANT: Further on the JobKeeper Payment, just a reminder that employers have until 8 May to make the minimum \$1,500 per fortnight payment to eligible employees for the first two JobKeeper fortnights (30 March – 12 April, 13 April – 26 April).

