

XERO JOBKEEPER PAYMENT INSTRUCTIONS

Enrol for the JobKeeper payment

To help you decide if you qualify for the JobKeeper payment, you can use Xero's turnover calculator to compare your turnover for March 2020 to turnover for March 2019. The calculator is intended to be indicative of eligibility only.

The calculator works by reporting on your transaction data using tax rates. If your Xero organisation isn't set up as GST registered or you want to use projected figures, you won't be able to use the calculator.

To run the turnover calculator:

1. Ensure all entries have been processed for March 2020
2. In the **Accounting** menu, select **Reports**.
3. Under **Tax**, click **Activity Statement**.
4. Click **Check your eligibility** in the banner at top of the activity statement.
5. Select the required accounting basis. The calculator defaults to cash basis, click on **Cash** if you need to select accruals basis instead.
6. (Optional) If you need to make an adjustment to the turnover figures, edit the figures directly to recalculate the change in turnover.

The calculator presents the change in turnover between the turnover test period and the comparison period. If you're satisfied you qualify, you can enrol for the JobKeeper payment.

To run additional reporting periods or to view a comparison of other periods to work out your eligibility, you can run the Profit and Loss report.

Calculate your change in turnover

March		Cash ▾
Turnover change 0%	2019	<input type="text" value="0"/> GST excl
	2020	<input type="text" value="0"/> GST excl
Check the eligibility thresholds below		ATO Learn how to enroll

SETTING UP XERO PAYROLL

If you are an employer, you can use Xero Payroll to enrol employees for JobKeeper payments, and record payments as you make them.

In Xero, you first need to **set up Single Touch Payroll** (if you haven't already done so) to file JobKeeper information with the ATO.

Please follow the below instructions to ensure XERO is set up correctly to enable filling of data with the tax office:

- 1) Set up STP and enrol your Business with the ATO
- 2) Enrolling your employees for JobKeeper payments
- 3) Setting up or editing JobKeeper pay items
- 4) Processing JobKeeper payments

Tip

If you've filed your pay runs for April before completing these steps, you'll need to submit an updated JobKeeper file to qualify for JobKeeper funding. Do this by [processing and filing an unscheduled pay run](#) for your JobKeeper employees (with all earnings zeroed out), by the end of April.

STEP 1: SET UP SINGLE TOUCH PAYROLL

Single Touch Payroll is the simplest route to receiving a JobKeeper subsidy. When you set up STP in Xero, you can report employee earnings, tax and super information with the ATO after each pay period.

During the setup process, you need to call the ATO or visit ATO Access Manager to connect your Xero account. You'll need to provide a Software ID (SSID), which can be found in Xero. Alternatively, this office can attend to this on your behalf.

Set up STP for your business

Before you set up STP, you need to ensure your XERO subscription has Payroll and that it has been set up before following these steps.

1. In the **Payroll** menu, select **Single Touch Payroll**.
2. Click **Opt in** to confirm.
3. Review your organisation details. If necessary, click **Update Organisation details**. Xero will redirect you to the **Organisation details** page. Otherwise, click **Continue**.
4. To connect your Xero account to the ATO, call the ATO on 1300 852 232.
5. Provide the ATO with the proof of ownership listed in Xero's prompt, including your Australian Business Number (ABN) and Software ID (SSID).
6. Select the checkbox to confirm you've contacted the ATO to connect your Xero account.
7. Click **Register**.

Xero will redirect you back to the **Pay employees** page. You'll now see an **STP filing** column in the **Pay Run History** table.

Pay Run History

Calendar	Period	Payment Date	Wages	Tax	Super	Net Pay	STP Filing
Monthly FY 19/20	<input type="button" value="Latest"/> December 2019	13 Dec 2019	80,000.00	19,188.00	7,600.00	60,812.00	<input type="button" value="Filed"/>
Monthly FY 19/20	November 2019	30 Nov 2019	0.00	0.00	0.00	0.00	<input type="button" value="Filed"/>

Find your SSID for STP again

1. In the **Payroll** menu, select **Single Touch Payroll**.
2. Click on the menu icon and then select **STP Settings**.
3. On the **Review organisation details** page, click **Continue**.
4. (Practice managers) On the **Review agent details** page, click **Save and continue**.
5. Under **Provide proof of ownership**, copy your **Software ID (SSID)**.
6. Click **Done**.

STEP 2: ENROL EMPLOYEES FOR JOBKEEPER PAYMENTS

In Xero, you can access a list of employees who might be eligible for JobKeeper payments. Xero Payroll will compare the government's eligibility criteria and data in Xero to suggest a list of employees who are likely to be eligible. You need to review the list, confirm eligible employees, then add a JobKeeper payment start date next to their names.

Warning

If you have selected incorrect JobKeeper start dates for any employee, stop immediately, don't file STP, and [contact Xero Support](#).

Some important points to note:

- You can still enrol employees marked as 'unlikely to be eligible' on the list, but you might need to adjust their details in Xero. Issues will be highlighted in red that need attention.
- In some circumstances, you can't enrol an employee because their details are incompatible with the JobKeeper program or with STP. This includes employees on a quarterly calendar or employed as labour hire.
- If you want to claim a payment for an eligible employee, you need to set a start date for them – even if they won't receive a JobKeeper top-up in a pay run.
- When you review a pay run, you'll see a note on the payslips of nominated employees to remind you they're enrolled for JobKeeper payments. The note won't be visible when you send the payslips to employees.

Set JobKeeper payment start dates

Take care when setting the start date in the steps below. Once you click **Save for reporting**, the start date is locked and can't be undone.

1. In the **Payroll** menu, select **Pay Employees**.
2. In the **Payroll support during COVID-19** message, click **visit our Payroll support page**.

 Payroll support during COVID-19
For the latest information on the government's response, [visit our Payroll support page](#).

3. Select the **JobKeeper settings** tab at the top of the page.

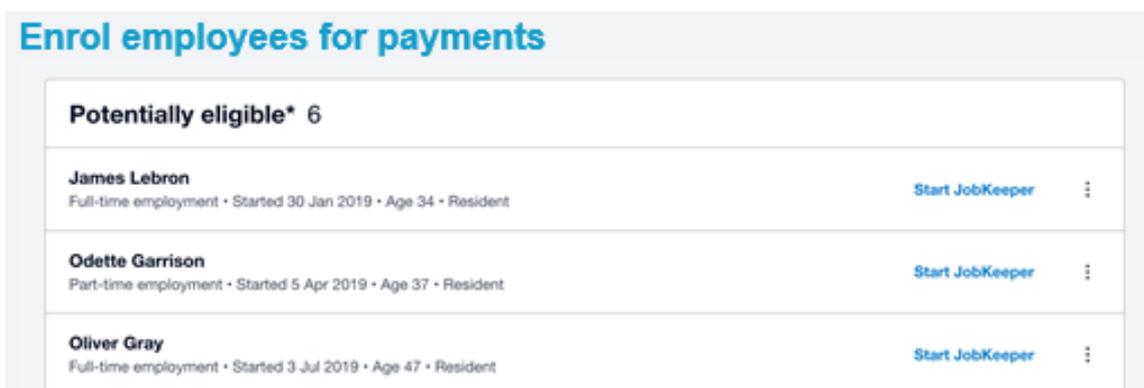
Payroll support during COVID-19 [About](#) **JobKeeper settings**

Government support

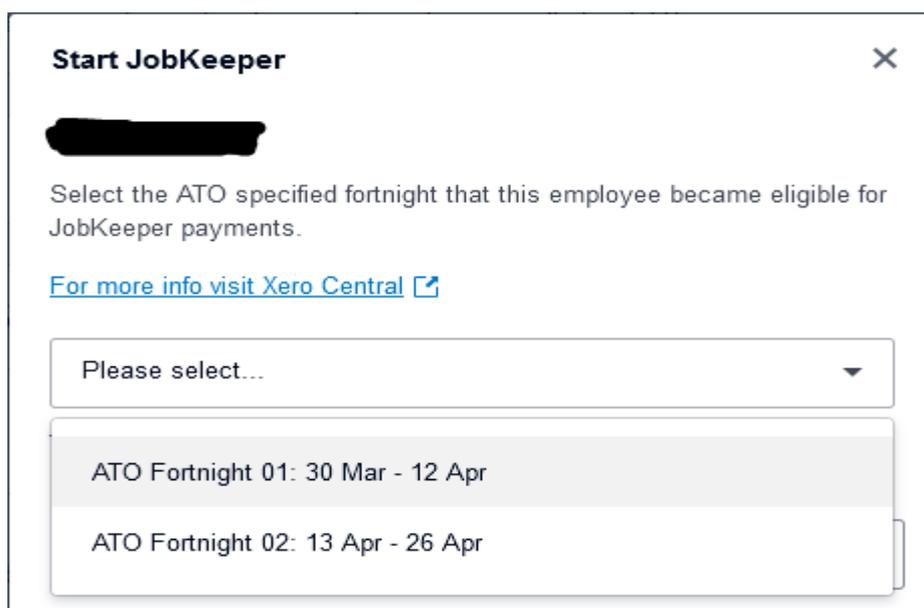
The government has introduced the JobKeeper payment scheme to help keep more Australians in jobs and support businesses affected by the significant economic impact caused by COVID-19.

[For the latest information visit Xero Central](#) 

4. Next to an employee's name, click **Start JobKeeper**. If the details under an employee's name are red you will need to fix the error.



5. Under **Start JobKeeper**, select the applicable ATO fortnight.
- You can determine which fortnight to select based on the **Payment Date** of the pay run that the employee should start to receive top-ups.
Eg if the payment date is 1 April, select the ATO fortnight that spans 30 March to 12 April.
 - You can't select an ATO fortnight in the future. You can only select a current or past fortnight.



6. Carefully review the selected ATO fortnight. Once you save the start date, it can't be undone. When you're ready, click **Save for reporting**.

You should repeat these steps for other eligible employees. The employee JobKeeper start dates will be sent to the ATO when you next file with STP.

Set Stop Date for an Employee's Jobkeeper Payment

You must file employee stop dates through STP if you no longer need to claim for them. If you terminate an employee outside a pay run, please complete an STP finalisation for them after you set their stop date.

You don't need to set a stop date if you're claiming JobKeeper payments for the initiative's duration.

Set a stop date

1. In the **Payroll** menu, select **Pay Employees**.
2. In the **Payroll support during COVID-19** message, click **visit our Payroll support page**.



3. Select the **JobKeeper settings** tab at the top of the page.



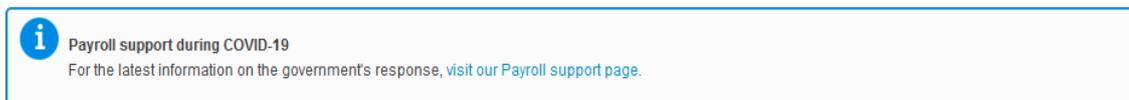
4. Under **Nominated employees**, next to an employee's name, click **Stop JobKeeper**.
5. Under **JobKeeper stop date**, select the applicable ATO fortnight.
 - You can determine which fortnight to select based on the **Payment Date** of the final pay run that the employee should receive top-ups.
Eg if the payment date is 1 May, select the ATO fortnight that spans 27 April to 10 May.
 - You can't select an ATO fortnight in the future. You can only select a current or past fortnight.
6. Carefully review the selected ATO fortnight as you can't change this period, then click **Save for reporting**.

You should repeat these steps for other employees as necessary. The employee JobKeeper stop dates will be sent to the ATO when you next file with STP.

You can re-enrol an employee by following the steps at the top of this page. You can't select a new start date that falls before the last stop date.

Change the Jobkeeper Payment Dates

1. In the **Payroll** menu, select **Pay Employees**.
2. In the **Payroll support during COVID-19** message, click **visit our Payroll support page**.



3. Select the **JobKeeper settings** tab at the top of the page.



4. Next to the relevant employees, click the menu icon, and then select **Revert changes**.
5. Click **Revert changes**.

The dates will revert to either the last STP filed JobKeeper dates, or all dates will be removed completely if you haven't filed any pay runs using the JobKeeper dates

Edit highlighted employee details

When enrolling employees for JobKeeper payments, you might notice some employees are listed as 'unlikely to be eligible' or 'not compatible with JobKeeper'. Xero will highlight employees that don't meet the eligibility criteria or have issues with the set up. You can still enrol these employees but first you will need to fix the errors.

Some of the issues could be due to:

- An employee's employment basis
- Employees who were younger than 16 years on 1 March 2020
- Permanent employees who started after 1 March 2020,
- casual employees who started after 1 March 2019
- If an employee's termination date was prior to 1 March 2020
- Residency status not correctly set or set as foreign residents
- Employees on a quarterly payroll calendar aren't eligible for JobKeeper payments

STEP 3) SETTING UP OR EDITING JOBKEEPER PAY ITEMS

Some important points to note:

- A JobKeeper allowance pay item has been automatically created for you. By default, the allowance type for the Xero generated pay item is 'JobKeeper - JobKeeper Payment top ups', and it's exempt from Superannuation Guarantee.
- If you've set up a custom pay item which isn't an allowance, or that has a rate type other than the fixed amount, any previous JobKeeper payments made using this pay item needs to be adjusted. This will ensure that the JobKeeper payments are correctly reported to the ATO with STP.
- If you're planning to pay your employees the JobKeeper payment on an ongoing basis, add the pay item to their pay templates. For employees who'll get the JobKeeper payment once or twice, add the pay item directly to their payslip, when needed.

Use the new JobKeeper pay item

You can either use the pay item in your employees' [pay templates](#) or [payslips](#) so they are reported to the ATO in the required format.

To view the pay item or make certain changes to it, if needed.

1. Click on the organisation name, select **Settings**, then click **Payroll settings**.
2. Select the **Pay Items** tab, then select **Earnings**.

The screenshot shows the Xero Payroll settings interface. At the top, there are tabs for 'Organisation', 'Calendars', 'Holidays', 'Pay Items' (which is highlighted), 'Superannuation', and 'Automatic Superannuation'. Below the tabs, there is a sidebar with 'Earnings' selected. The main area shows the 'Earnings' section with an 'Add' button and a table with columns: 'Earnings Name', 'Earnings Category', 'Rate', 'Account', and 'Reportable as W1'. The table is currently empty.

3. From the list of **Earnings** pay items, click on the Xero generated pay item called **JobKeeper payment top up**.

The screenshot shows the 'JobKeeper Payment top up' pay item in the Xero Payroll settings interface. The table has columns: 'Earnings Name', 'Earnings Category', 'Rate', 'Account', and 'Reportable as W1'. The row for 'JobKeeper Payment top up' is highlighted.

Earnings Name	Earnings Category	Rate	Account	Reportable as W1
JobKeeper Payment top up	Allowance	\$0.00 Fixed Amount	470: Wages and Salaries	Yes

4. Update details, if needed. The following pay item settings are automatically set **and can't be changed**:
 - **Rate type** is set to **Fixed Amount**
 - The **Exempt from PAYG Withholding** checkbox is set as unchecked
 - The **Reportable as W1 on Activity Statement** checkbox is set to checked
5. (Optional) Clear the **Exempt from Superannuation Guarantee Contribution** checkbox, if you want to contribute super payments.
6. Click **Save**.



Update an existing JobKeeper pay item and file payments

If you have already set up a JobKeeper allowance pay item you need to contact this office so that we can give you instructions on how to update the pay item so it's correctly reported with the ATO, going forward.

If you've already processed and filed your pay runs for April using this pay item, you'll also need to submit an updated JobKeeper file to qualify for the funding. This JobKeeper information flows through to the ATO when you file a pay run via STP.

To meet the deadline, after the pay item has been updated you will need to process an unscheduled pay run and file it via STP with the ATO by the end of April. You will need to include all eligible JobKeeper staff you've paid until now and have all earnings lines zeroed out.

Adjust previous JobKeeper payments

If you've set up a custom pay item which isn't an allowance, or that has a rate type other than the fixed amount, please contact this office so that we can help you adjust any JobKeeper payments made using this pay item. This will ensure that the allowance is correctly reported to the ATO with STP.

You will need to process an unscheduled pay run and file it via STP with the ATO by the end of April.

For each relevant employee, enter the amount as a negative against the incorrect earnings pay item and re-enter the amount as a positive using a JobKeeper pay item. We suggest processing unscheduled pay runs against each pay with a payment date on or after 30 March so the amounts are correctly reported per payment date.

STEP 4) PROCESS JOBKEEPER PAYMENTS

Some important points to note:

- To claim JobKeeper payments from the ATO, you need to assign the JobKeeper pay item to an employee's pay template or payslip. You can then process a pay run, and file the payment with Single Touch Payroll (STP).
- If necessary, you can use unscheduled pay runs to pay employees the JobKeeper top-ups you may have missed in April.
- If an employee doesn't need a JobKeeper top-up (eg they already earn more than \$1500 a fortnight), you don't need to add the JobKeeper pay item to their payslip. Just set up the employee's payslip as normal.
- If you've enrolled the employee for JobKeeper payments, this information will be sent to the ATO when you file with STP.

Record a JobKeeper top-up payment for an employee

1. In the **Payroll** menu, select **Pay Employees**.
2. Click **Add Pay Run**, select a pay period, then click **Next**.
3. Click the employee's name to open their payslip.
4. Check your employee's usual earnings lines are correct. If applicable, you can [add employee stand down hours](#).
5. Click **Add Earnings Line** to add the JobKeeper pay item. If you already added this to the employee's pay template, skip to step seven.
7. Under **Earnings Rate**, select the new earnings pay item **JobKeeper payment top up**, then click **OK**.
6. In the earnings line for the JobKeeper payment top-up, enter the fixed amount as required to ensure the employee receives the \$1,500 per fortnight.
7. Click **Save**.

Repeat the steps above for each employee as required, then post the pay run and file it with STP by the payment date.

Process pay runs for payments missed in April

Some important points to note:

- You can use unscheduled pay runs to pay employees the JobKeeper top-ups you may have missed in April. You need to review pay runs with payment dates from 30 March 2020 to identify the employees who need a top-up. You can then [calculate the top-up amounts to pay eligible employees](#).
- Payment dates for these unscheduled pay runs **must be on or before 30 April 2020**. This ensures the correct earnings are reported to the ATO for the first two fortnights (30 March – 12 April and 13 April – 26 April).

When creating the unscheduled pay run, the payroll calendar, financial year and unscheduled pay period should match those used in the pay run with the missed payment.

Process an unscheduled pay run

1. In the **Payroll** menu, select **Pay Employees**.
2. Click **Add a Pay Run**, then select **Unscheduled pay run**.
3. Select a payroll calendar, financial year and unscheduled pay period, then click **Next**. Make sure the details are the same as the pay run with the missed payment.
4. Click **Payment Date**, select the actual date you'll pay the JobKeeper top-ups, then click **Save**.
5. In the **Included** column, select the employees to include in the pay run.
6. Click an employee's name to open their payslip.
7. Under each **Earnings Rate**, remove or zero out the default earnings line.
8. Click **Add Earnings Line** to add the JobKeeper pay item. If you already added this to the employee's pay template, skip to step 10.
9. Under **Earnings Rate**, select the new **JobKeeper payment top up** earnings pay item, then click **OK**.
10. In the earnings line for the JobKeeper top-up, enter the fixed amount as required to ensure the employee receives the \$1,500 per fortnight.
11. Review the lines under **Tax Type**, **Superannuation Fund** and **Leave Type** to make sure they're accurate, then click **Save**.

Repeat the steps above for each employee as required, then post the pay run and file it with STP. You'll also need to repeat this process for each applicable pay period.

Process an employee stand down

Due to COVID-19, you might need to stand down an employee until more work is available. To record an employee's time on stand down in Xero Payroll, you should:

- Check the employee's holiday group
- Create a new earnings pay item
- Process a pay run and adjust your employee's payslip

Check an employee's holiday group

First check that all local holidays are included in the employee's state holiday group.

1. Click the organisation name, select **Settings**, then click **Payroll settings**.
2. Select the **Holidays** tab, then select the employee's state holiday group (eg 'Victoria, New South Wales').
3. Check that the list of public holidays includes all applicable local holidays.

Then check that the employee is assigned to the correct holiday group.

1. In the **Payroll** menu, select **Employees**.
2. Click an employee's name to open their details, then select the **Employment** tab.
3. Under **Holiday Group**, check the correct group is selected for the employee.
4. Select the **Include holidays in Payslips** checkbox if you haven't already.
5. Click **Save**.

Create a new earnings pay item

Set up a new earnings pay item to account for the stand down hours.

1. Click on the organisation name, select **Settings**, then click **Payroll settings**.
2. Select the **Pay Items** tab, then select **Earnings**.
3. Click **Add**, then select **Ordinary Time Earnings**.
4. Enter an **Earnings Name**, such as 'Stand down'.
5. Under **Rate Type**, select **Multiple of employee's ordinary earnings rate**.
6. Under **Multiple (ex. 1.5)**, enter '0'.
7. Under **Expense Account**, select the relevant expense account, such as 'Wages and Salaries'.
8. Select the **Accrue Leave for this Earnings Rate** checkbox, then click **Add**.

Process a pay run and edit the employee's payslip

1. In the **Payroll** menu, select **Pay Employees**.
2. Click **Add Pay Run**, select a pay period, then click **Next**.
3. Click the employee's name to open the payslip.
4. Click **Add Earnings Line**.
5. Under **Earnings Rate**, select the new '**stand down**' earnings pay item created above, then click **OK**.
6. In the 'stand down' earnings rate, enter the number of working hours in the pay period the employee missed because of stand down. Don't include hours covered by public holidays in the stand down hours.
7. In the 'ordinary hours' earnings rate, reduce the number of hours by the amount in the 'stand down' earnings rate.
8. Click **Save**.

When you post the pay run, you'll record the stand down without disrupting the employee's leave accruals. You'll need to edit the employee's payslip each pay run until they return to work.

Adjust a processed pay period using an unscheduled pay run

This unscheduled pay run process will

- Adjust a pay period already processed to correct an employee's wages if they were overpaid or underpaid.
- Process a negative pay run to include negative wages, taxes, and net pay, to reverse incorrect wages and taxes.

Process an unscheduled pay run to correct errors

1. In the **Payroll** menu, select **Pay employees**.
2. Remove any existing draft pay runs for the pay calendar you want to use. You can only have one draft pay run for each pay period.
3. Click **Add Pay Run**, then in the **Select a pay period** field, select **Unscheduled pay run**.
4. Select a pay calendar, financial year and the pay period.
If you're correcting a mistake from an earlier pay run, make sure you select the same pay calendar and period as the incorrect pay run.
5. Click **Next**.
6. (Optional) Click **Payment Date** to select the date you'll pay your employees. If there's no payment being made, you can leave the date as is. This date determines which financial period the pay run is reported in.
7. Under **Included**, select each employee you need to include in the pay run, or click **Included**, then select **Include all** to add all employees.
8. Click an employee's name to open and adjust their payslip, then click **Save & Next**. Repeat for each employee as needed, then click **Close** to exit the payslip.
9. Click **Add a payslip message** to add a message to employee payslips.
10. Click **Post Pay Run**, then click **Yes** to confirm.
11. (Optional) If you've opted-in to Single Touch Payroll, you can [file your employees' pay and super](#) with the ATO.