



21 July 2020

Today the Federal Government announced that it would extend the JobKeeper Scheme.

The JobKeeper payment, which was originally due to run until 27 September 2020, will now continue to be available to eligible businesses (including the self-employed) and not-for-profits until 28 March 2021.

The extension will feature a two-tiered payment.

From 28 September 2020, businesses and not-for-profits will be required to reassess their eligibility with reference to their actual GST turnover in the June and September quarters 2020. They will need to demonstrate that they have met the relevant decline in turnover test in both of those quarters to be eligible for the JobKeeper payment from 28 September 2020 to 3 January 2021.

From 4 January 2021, businesses and not-for-profits will need to further reassess their turnover to be eligible for JobKeeper. They will need to demonstrate that they have met the relevant decline in turnover test with reference to their actual GST turnover in each of the June, September and December quarters 2020 to remain eligible for JobKeeper from 4 January 2021 to 28 March 2021.

To be eligible for JobKeeper under the extension, businesses and not-for-profits will still need to demonstrate that they have experienced a decline in turnover of:

- 50 per cent for those with an aggregated turnover of more than \$1 billion;
- 30 per cent for those with an aggregated turnover of \$1 billion or less; or
- 15 per cent for Australian Charities and Not for profits Commission-registered charities (excluding schools and universities).

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

The JobKeeper payment will continue to remain open to new recipients, provided they meet the existing eligibility requirements and the additional turnover tests during the extension period.

Other eligibility rules for businesses and not-for-profits and their employees remain unchanged..

The JobKeeper payment rate

From 28 September 2020 to 3 January 2021, the JobKeeper payment rates will be:

- \$1,200 per fortnight for all eligible employees who, in the four weeks of pay periods before 1 March 2020, were working in the business or not-for-profit for 20 hours or more a week on average, and for eligible business participants who were actively engaged in the business for 20 hours or more per week on average in the month of February 2020; and
- \$750 per fortnight for other eligible employees and business participants.

From 4 January 2021 to 28 March 2021, the JobKeeper rates will be:

- \$1,000 per fortnight for all eligible employees who, in the four weeks of pay periods before 1 March 2020, were working in the business or not-for-profit for 20 hours or more a week on average and for business participants who were actively engaged in the business for 20 hours or more per week on average in the month of February 2020; and
- \$650 per fortnight for other eligible employees and business participants.

Additional turnover tests

In order to be eligible for the first JobKeeper extension period of 28 September 2020 to 3 January 2021, businesses will need to demonstrate that their actual GST turnover has significantly fallen in the both the June quarter 2020 (April, May and June) and the September quarter 2020 (July, August, September) relative to comparable periods (generally the corresponding quarters in 2019).

In order to be eligible for the second JobKeeper extension period of 4 January 2021 to 28 March 2021, businesses and not-for-profits will again need to demonstrate that their actual GST turnover has significantly fallen in each of the June, September and December 2020 quarters relative to comparable periods (generally the corresponding quarters in 2019).

The Commissioner of Taxation will have discretion to set out alternative tests that would establish eligibility in specific circumstances where it is not appropriate to compare actual turnover in a quarter in 2020 with actual turnover in a quarter in 2019, in line with the Commissioner's existing discretion.

Businesses and not-for-profits will generally be able to assess eligibility based on details reported in the Business Activity Statement (BAS). Alternative arrangements will be put in place for businesses and not-for-profits that are not required to lodge a BAS (for example, if the entity is a member of a GST group).

As the deadline to lodge a BAS for the September quarter or month is in late October, and the December quarter (or month) BAS deadline is in late January for monthly lodgers or late February for quarterly lodgers, businesses and not-for-profits will need to assess their eligibility for JobKeeper in advance of the BAS deadline in order to meet the wage condition (which requires them to pay their eligible employees in advance of receiving the JobKeeper payment in arrears from the ATO).

The Commissioner of Taxation will have discretion to extend the time an entity has to pay employees in order to meet the wage condition, so that entities have time to first confirm their eligibility for JobKeeper.

To be eligible for JobKeeper payments under the extension, businesses and not-for-profits will need to demonstrate that they have experienced the following decline in turnover (which remains the same as existing rules):

- 50 per cent for those with an aggregated turnover of more than \$1 billion;
- 30 per cent for those with an aggregated turnover of \$1 billion or less; or
- 15 per cent for Australian Charities and Not-for-profits Commission-registered charities (excluding schools and universities). Registered religious institutions responsible for religious practitioners will continue to be eligible to receive the JobKeeper payment provided they meet existing eligibility requirements and the additional turnover tests during the extension period.

Employees

The eligibility rules for employees remain unchanged. This means you are eligible if you:

- are currently employed by an eligible employer (including if you were stood down or re-hired)
- were for the eligible employer (or another entity in their wholly-owned group) either:
 - – a full-time, part-time or fixed-term employee at 1 March 2020; or
 - – a long-term casual employee (employed on a regular and systematic basis for at least 12 months) as at 1 March 2020 and not a permanent employee of any other employer.
- were aged 18 years or older at 1 March 2020 (if you were 16 or 17 you can also qualify for fortnights before 11 May 2020, and continue to qualify after that if you are independent or not undertaking full time study).
- were either:
 - – an Australian resident (within the meaning of the *Social Security Act 1991*); or
 - – an Australian resident for the purpose of the *Income Tax Assessment Act 1936* and the holder of a Subclass 444 (Special Category) visa as at 1 March 2020.
- were not in receipt of any of these payments during the JobKeeper fortnight:
 - – government parental leave or Dad and partner pay under the *Paid Parental Leave Act 2010*; or
 - – a payment in accordance with Australian worker compensation law for an individual's total incapacity for work.

Only one employer can claim the JobKeeper payment in respect of an employee.

The self-employed will be eligible to receive JobKeeper where they meet the relevant turnover test, and are not a permanent employee of another employer.

Employees will continue to receive the JobKeeper payment through their employer during the period of the extension if they and their employer are eligible and their employer is claiming JobKeeper. However, the amount of the JobKeeper payment will change at the rates set out above.

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