



Stimulus Package - Wage Subsidies For Apprentices And Trainees

As part of the economic response to the Coronavirus (COVID-19), the Australian Government is providing wage subsidies up to a maximum value of \$21,000 per apprentice or trainee apprentices and trainees (\$7,000 per quarter).

Eligible employers can apply for a wage subsidy of 50% of the apprentice's or trainee's wage paid during the 9 months from 1 January 2020 to 30 September 2020. Where a small business is not able to retain an apprentice, the subsidy will be available to a new employer.

The subsidy will be available to small businesses where:

- they are employing fewer than 20 full-time employees who retain an apprentice or trainee, and
- the apprentice or trainee must have been in training with a small business as at 1 March 2020.

Where a small business is not able to retain an apprentice, the subsidy will be available to a new employer or Group Training Organisation. Any employer (including all small, medium or large businesses and Group Training Organisations) who re-engages an out-of-trade apprentice or trainee may be eligible for the subsidy where:

- the apprentice or trainee was undertaking an apprenticeship on 1 March 2020, in a small business; and

- the apprentice or trainee was released from the small business; and
- the new employer or Group Training Organisation has engaged the apprentice or trainee.

Support will also be provided to the National Apprentice Employment Network, the peak national body representing Group Training Organisations, to co-ordinate the re-employment of displaced apprentices and trainees throughout their network of host employers across Australia.

Employers will be able to access the subsidy after an eligibility assessment is undertaken by an Australian Apprenticeship Support Network (AASN) provider.

Employers can register for the subsidy from early April 2020. Final claims for payment must be lodged by 31 December 2020.

Example 1

David's Plumbing is a small business that employs 10 people, including two full-time Australian Apprentices.

Taylor is a first year Australian Apprentice, aged 20, undertaking a Certificate III qualification. She commenced her apprenticeship with David's Plumbing on 6 February 2020. Taylor receives a weekly wage of \$532.89.

Lisa is a third year Australian Apprentice, aged 29, undertaking a Certificate IV qualification. She

commenced her apprenticeship with David's Plumbing on 18 November 2017. She receives a weekly wage of \$772.71.

David's Plumbing are eligible for Supporting Apprentices and Trainees which pays 50 per cent of the apprentices' wages that have been paid by David's Plumbing since 1 January 2020.

David's Plumbing will receive:

- \$9,059 subsidy (34 weeks x 532.89 x 50%) for employing Taylor for 6 February 2020 to 30 September 2020; and
- \$15,068 subsidy 39 weeks x \$772.71 x 50%) for employing Lisa for 1 January 2020 to 30 September 2020.

Supporting Apprentices and Trainees and the JobKeeper Payment

Note: The Jobkeeper Payment has not been made law yet and so changes may be made. The following is based on our current understanding without the finalised details.

Questions and Answers

1. What is the JobKeeper Payment?

The JobKeeper Payment provides a wage subsidy of \$1,500 per fortnight per eligible employee for up to six months. The payment will support employers to maintain their connection to their employees and keep people in their jobs, as some businesses go into hibernation.

Maintaining continuity of employment will enable businesses to reactivate their operations quickly, without having to rehire staff, when the crisis is over.

2. When does the JobKeeper Payment commence?

The JobKeeper Payment will start on 30 March 2020 with the first payments to be received by employers in the first week of May.

3. Can I claim the JobKeeper Payment and Supporting Apprentices and Trainees at the same time?

No.

An employer will not be eligible to claim Supporting Apprentices and Trainees for any period where they choose to claim the JobKeeper Payment for the same Australian Apprentice.

An employer or Group Training Organisation will NOT be eligible for the JobKeeper Payment where the employer is in receipt of an Australian Government wage subsidy for the same Australian Apprentice (for example Supporting Apprentices and Trainees and the Australian Apprentice Wage Subsidy).

4. Can an employer elect whether they want to claim Supporting Apprentices and Trainees or the JobKeeper Payment?

Yes.

Where an employer is eligible for both Supporting Apprentices and Trainees AND the JobKeeper Payment for an Australian Apprentice, the employer will need to choose which payment best supports their circumstances.

5. Where an employer is not eligible for the JobKeeper Payment can they be assessed as eligible for Supporting Apprentices and Trainees?

Yes.

Where an employer meets the eligibility criteria for Supporting Apprentices and Trainees, but not the JobKeeper Payment, the employer may claim Supporting Apprentices and Trainees.

Each payment has eligibility criteria that must be met in order to make a claim for payment. Employers of apprentices and trainees should contact their Australian Apprenticeship Support Network provider for assistance.

6. As the JobKeeper Payment starts on 30 March 2020, can eligible employers claim Supporting Apprentices and Trainees for wages paid during the period 1 January 2020 to 31 March 2020?

Yes.

Where an eligible employer claims the JobKeeper

Payment from 30 March 2020, if they also meet the criteria for Supporting Apprentices and Trainees, they will be eligible to claim Supporting Apprentices and Trainees for wages paid during the period 1 January 2020 to 31 March 2020.

7. Can eligible employers claim Supporting Apprentices and Trainees for any period before claiming the JobKeeper Payment?

Yes.

Where an eligible employer claims the JobKeeper Payment, if they also meet the criteria for Supporting Apprentices and Trainees, they will be eligible to claim Supporting Apprentices and Trainees for wages paid up to the date they are eligible for the JobKeeper Payment

