



The JobKeeper Payment: How It Affects You And Your Business

The government's JobKeeper payment scheme has been a life-line to many Australian individuals and businesses. For many, it is the saviour for their businesses and families helping them through the economic impact of COVID-19.

On 21 July 2020, the government announced the extension of the JobKeeper Payment scheme by another six months until 28 March 2021 as well as turnover tests to determine eligibility.

From 3 August 2020, the date of eligibility of the employee to receive Jobkeeper payment will change from 1 March 2020 to 1 July 2020. This change will increase the employee's eligibility for both the existing Jobkeeper scheme, as well as for the new extended Jobkeeper periods from 28 September 2020.

JobKeeper Date Changes

From 28 September until 3 January 2021:

- businesses and not-for-profits will need to demonstrate that their actual GST turnover has significantly fallen by the relevant percentages of turnover (as outlined below), in the September 2020 quarter (July, August, September) to qualify for this period. The decline in turnover is compared to the corresponding quarters in 2019.

From 4 January to 28 March 2021:

- businesses and not-for-profits will need to demonstrate that their actual GST turnover has significantly fallen in the December 2020 quarter relative to comparable quarter in 2019.

Businesses and entities who enrol for the JobKeeper payment for the first time, must do so by the end of the month that they want to claim for. For example, an entity wanting to claim JobKeeper subsidies for August will need to enrol by the 31 August and must show a 30% downturn. Businesses will generally be able to assess eligibility based on details reported in their BAS. Alternative arrangements will be put in place for businesses that are not required to lodge a BAS, such as those businesses that are not registered for GST.

To be eligible for JobKeeper Payments 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).

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The JobKeeper payment will continue to remain open to new recipients, provided they meet the eligibility requirements.

JobKeeper Payment Rate

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 the JobKeeper Payment.

The amount of the JobKeeper Payment will change. From 28 September 2020 to 3 January 2021, the JobKeeper Payment rates will be:

- \$1,200 per fortnight for employees or business participants who in the four weeks before 1 March 2020 were working for entities for 20 hours or more a week, and \$750 for employees or business participants who were working in the entities for less than 20 hours per week

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

- \$1,000 per fortnight for employees or business participants who in the four weeks before 1 March 2020 were working for entities for 20 hours or more a week, and \$650 for employees or business participants who were working in the entities for less than 20 hours per week

JobKeeper Fortnights

After enrolling, a declaration of business turnover must be lodged each month in order to claim JobKeeper payments for the previous month and needs to be done between the 1st and 14th of the following month.

The JobKeeper fortnight and paid dates are as follows. Please note there are three cut off dates in August that must be met to satisfy the September payments:

JobKeeper Fortnight	Period relating to each JobKeeper Fortnight	Employees are paid on or before
7	22 June – 5 July	5 July
8	6 July – 19 July	19 July
9	20 July – 2 August	2 August
10	3 August – 16 August	16 August
11	17 August – 30 August	30 August
12	31 August – 13 September	13 September
13	14 September – 27 September	27 September

Employee Eligibility

The rules for eligible employees remain unchanged up until 2 August 2020. From 3 August 2020 all references to the employees employment status as at 1 March 2020 will be extended to 1 July 2020 for new applicants enrolling from 3 August onwards. You will be eligible if you:

- are currently employed by an eligible employer (including if you were stood down or rehired)
- were for the eligible employer (or another entity in their wholly-owned group) either:
 - o full-time, part-time or fixed-term employee at 1 March 2020 (1 July 2020 for new Jobkeeper applicants from 3 August 2020); or
 - o 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. (1 July 2020 for new Jobkeeper applicants from 3 August 2020)
- 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). (1 July 2020 for new Jobkeeper applicants from 3 August 2020)
- were either:
 - o an Australian resident (within the meaning of the Social Security Act 1991); or
 - o 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. (1 July 2020 for new Jobkeeper applicants from 3 August 2020)
- were not in receipt of any of these payments during the JobKeeper fortnight:
 - o government parental leave or Dad and partner pay under the Paid Parental Leave Act 2010; or
 - o a payment in accordance with Australian worker compensation law for an individual's total incapacity for work.

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Only one employer can claim the JobKeeper Payment in respect of an employee. The self-employed will be eligible to receive the JobKeeper Payment where they meet the relevant turnover test, and are not a permanent employee of another employer.

When it comes to the JobKeeper and any of the COVID-19 supplement payments and tax offsets, proper due diligence and up-to-date bookkeeping is key. An ITP registered Tax Accountant understand how to apply for the JobKeeper as well as determine eligibility for your business. Speak with an ITP Tax Accountant today.

ITP The Income Tax Professionals are more than tax agents. They have been helping Australian individuals and businesses with their business accounting and advice for 50 years and offer a wealth of knowledge. Speak to a Professional today and see how your business can be more profitable.



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