

JobKeeper Payment
– What You
Need To Know

JobKeeper Payment for your Business – What You Need To Know

Rather than going through the legislation let's assume you qualify for the JobKeeper Payment scheme. At the bottom of this email you will find the finer details and requirements to be classified as an eligible business and have eligible employees to enable you to access the JobKeeper Payment scheme.

So what do you need to do now?

Enrol for the JobKeeper payment (from 20 April 2020 onwards and before 26 April 2020)

- Step 1 – Register your interest and subscribe for **JobKeeper payment** updates.
- Step 2 – Check you and your employees meet the eligibility requirements (turnover test and employee test – see further below).
- Step 3 – Continue to pay at least \$1,500 to each eligible employee per JobKeeper fortnight (the first JobKeeper fortnight is the period from 30 March to 12 April).
- Step 4 – Notify your eligible employees that you are intending to claim the JobKeeper payment on their behalf and check they are not claiming JobKeeper payment through another employer or have nominated through another business.
- Step 5 – Send the **JobKeeper employee nomination notice** to your nominated employees to complete and return to you by the end of April if you plan to claim JobKeeper payment for April. Keep it on file and provide a copy to your registered tax agent if you are using one.
- Step 6 – From 20 April 2020, you can enrol with ATO for the JobKeeper payment using the Business Portal and authenticate with myGovID. You must do this by the end of April to claim JobKeeper payments for April.
- Step 7 – In the online form, provide your bank details and indicate if you are claiming an entitlement based on business participation, for example if you are a sole trader.
- Step 8 – Specify the estimated number of employees who will be eligible for the first JobKeeper fortnight (30 March – 12 April) and the second JobKeeper fortnight (13 April – 26 April).

Confirmation of eligible employees you will claim JobKeeper Payment for (available from 4 May 2020 onwards)

- Step 1 – Apply to claim the JobKeeper payment by logging in to the [ATO Business Portal External Link](#)
- Step 2 – Ensure you have paid each eligible employee a minimum of \$1,500 per JobKeeper fortnight before tax.
- Step 3 – Identify your eligible employees in the application form by
 - selecting employee details that are prefilled from your STP pay reports if you report payroll information through an STP enabled payroll solution, or
 - manually entering employee details in ATO online services or the Business Portal if you do not use an STP enabled payroll solution, or
 - using a registered tax agent who will submit a report on your behalf through Online services for agents.
- Step 4 – Submit the confirmation of your eligible employees online and wait for the confirmation screen.
- Step 5 – Notify your eligible employees you have nominated them.
- Step 6 – We will pay you the JobKeeper payment for all eligible employees after receiving your application.
- Step 7 – Each month, you will need to reconfirm that your reported eligible employees have not changed through ATO online services, the Business Portal or via your registered tax agent. This will ensure you will continue to receive the JobKeeper payments from ATO. You do not need to retest your reported fall in turnover, but you will need to provide some information as to your current and projected turnover. This will be done in your monthly JobKeeper Declaration report.
- Step 8 – If your eligible employees change or leave your employment, you will need to notify ATO through your monthly JobKeeper Declaration report.

If you use the ATO Business Portal, you will need a myGovID linked to your ABN in relationship Authorisation Manager (RAM). You can find out how to set this up at ato.gov.au/mygovid

What do you need to do for your employees?

You need to identify which employees you intend to claim the JobKeeper payment for and tell them you intend to claim the JobKeeper payment for them.

You need to provide these employees with the JobKeeper employee nomination notice and ask them to return it to you by the end of April if you want to claim JobKeeper payment for April.

If your employees have multiple employers, they can usually choose which employer they want to nominate through. However, if your employees are long-term casuals and have other permanent employment, they cannot nominate you. They cannot receive the JobKeeper payment from more than one employer.

The JobKeeper Payment scheme is operated on an “one in, all in” basis, employers cannot pick and choose which eligible employees will be able to participate in the scheme.

If an employee is currently receiving an income support payment, they must notify **Services Australia** of their new income to avoid incurring a debt that they will have to repay.

If you employ apprentices or trainees eligible for the 50% wage subsidy, you can potentially receive this subsidy up to 31 March 2020 and then the JobKeeper payment from 1 April 2020 onwards. Where a small business is eligible for the JobKeeper payment they cannot receive the apprentice and trainee wage subsidy from 1 April 2020.

Eligible Businesses must meet the following criteria (please note sole traders, partners in partnerships, trust beneficiaries and company directors or shareholders are also entitled but there are separate rules for these categories of business):

- On 1 March 2020, you carried on a business in Australia or were a not-for-profit organisation that pursued your objectives principally in Australia.
- You employed at least one eligible employee on 1 March 2020.
- Your eligible employees are currently employed by your business for the fortnights you claim for (including those who are stood down or re-hired).
- Your business has faced a 30% fall in turnover (for an aggregated turnover of \$1 billion or less – different rules for greater than \$1 billion and registered charities).

Eligible Employees must meet the following criteria:

- Are employed by you (including those stood down or re-hired)
- Were either a
 - permanent full-time or part-time employee at 1 March 2020
 - 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 at least 16 years of age on 1 March 2020
- Were an Australian resident as at 1 March 2020 within the meaning of the Social Security Act 1991, which requires that they reside in Australia, and are one of an Australian citizen, the holder of a permanent visa, or a Protected Special Category Visa Holder. More information about these requirements can be found from the Services Australia website under [residence descriptions External Link](#). Your employee can also be an Australian tax resident who is a Special Category (Subclass 444) Visa Holder. Employees who are not permanent residents of Australia must notify you of their visa status to allow you to determine if they are eligible.
- Were not in receipt of any of these payments during the JobKeeper fortnight
 - government parental leave or Dad and partner pay
 - a payment in accordance with Australian worker compensation law for an individual's total incapacity for work
- Agree to be nominated by you

How to determine a fall in turnover?

You only need to satisfy this requirement once – you do not need to retest turnover each month.

At the time you enrol in the JobKeeper payment scheme, you need to confirm that your business in a relevant period has had, or is likely to have, a:

- 30% fall in turnover (for an aggregated turnover of \$1 billion or less)
- 50% fall in turnover (for an aggregated turnover of more than \$1 billion), or
- 15% fall in turnover (for ACNC-registered charities other than universities and schools).

How to calculate a fall in turnover for the first fortnight starting 30 March 2020. To work out your fall in turnover, you can compare either:

- GST turnover for March 2020 with GST turnover for March 2019
- Projected GST turnover for April 2020 with GST turnover for April 2019
- Projected GST turnover for the quarter starting April 2020 with GST turnover for the quarter starting April 2019.

How you choose to project your fall in turnover is not dependent on whether you report a quarterly or monthly BAS, though you can do that if it is easier. The turnover calculation is based on GST turnover, but there are some modifications, including disregarding GST grouping (where two or more associated business entities operate as a single GST group). We will provide more information soon about applying the turnover test.

If you work out that you qualify for the JobKeeper payments for the first fortnight because your turnover has declined by the relevant amount, you remain eligible and do not need to keep testing turnover in following months. However, you will have ongoing monthly reporting requirements. The ATO will provide more information soon.

The Commissioner of Taxation also has the discretion to set out alternative tests that can establish your eligibility when turnover periods are not appropriately comparable (for example, if your business has been in operation less than a year). The ATO will provide more information soon about alternative tests.

Please note it will be important to provide evidence and maintain records to demonstrate a 30% reduction in turnover. This may include sales records, invoices, and other financial information. These records should be maintained on your files for no less than five (5) years.

JobKeeper Payment
– Frequently
Asked Questions

Frequently Asked Questions:

My business has only just started or my business has ‘lumpy’ income. How can I self-assess that my turnover has fallen?

To establish that a business has faced or is likely to face a 30 per cent or more or 50 per cent or more fall in turnover, most businesses would be expected to establish that their turnover has fallen in the relevant month or quarter (depending on the Business Activity Statement reporting period of that business) relative to their turnover in a corresponding period a year earlier.

Where a business was not in operation a year earlier, or where their turnover a year earlier was not representative of their usual or average turnover, (for example, because there was a large interim acquisition, they were newly established, were scaling up, or their turnover is typically highly variable), the Tax Commissioner will have discretion to consider additional information that the business can provide to establish that they have been adversely affected by the impacts of the Coronavirus.

The Tax Commissioner will also have discretion to set out alternative tests that would establish eligibility in specific circumstances (for example, eligibility may be established as soon as a business ceases or significantly curtails its operations). There will be some tolerance where employers, in good faith, estimate a 30 per cent or more or 50 per cent or more fall in turnover but actually experience a slightly smaller fall.

What if I pay my employees less than \$1,500 per fortnight before tax?

To be able to claim the JobKeeper payment for an eligible employee, that employee must be paid a minimum of \$1,500 income per fortnight, before tax is withheld.

If you want to claim the subsidy for an eligible employee and they have not been paid \$1,500 per fortnight since 30 March 2020, employers must pay a 'top-up' payment to employees so that they are eligible. The ATO will provide further guidance on how this will work.

The employer will be reimbursed \$1,500 per fortnight for each eligible employee.

Employers cannot pay their employees less than \$1,500 per fortnight and be entitled to a payment for that employee.

For the first two fortnights (30 March – 12 April, 13 April – 26 April), we will accept the minimum \$1,500 payment for each fortnight has been paid by you even if it has been paid late, provided it is paid by you by the end of April. This means that you can make two fortnightly payments of at least \$1,500 per fortnight before the end of April, or a combined payment of at least \$3,000 before the end of April.

Legislation is also being drafted by the government with the intention to allow employers the discretion to pay superannuation on additional payments made to employees to top up their wage to \$1,500 per fortnight. For example, if you only usually pay your employee \$1,000 per fortnight before tax, then Superannuation Guarantee Charge will only be required to be paid on \$1,000 for their ordinary hours of work, not on the additional payment of \$500 per fortnight.

I purchased a business in the last 12 months and retained some casual employees who worked for the previous business owner. Are the casual employees eligible?

Employers must assess whether their casual employees satisfy the test of working for 12 months on a regular and systemic basis. A casual may still meet this condition even if the entity operating the business has changed recently.

Will the ATO use the JobKeeper payments to offset a BAS debt?

The payment will generally be paid directly to the employer and not used to offset tax liabilities, as the intent is that it is a payment that facilitates employers to pay their employees.

When will I receive the first payment?

The first payments by the ATO will be received by employers from the first week of May.

How often will these payments be made?

The payments will be made by the ATO monthly in arrears.

I am self-employed, am I eligible for the JobKeeper payment?

Sole traders and the self-employed with an ABN will be eligible for the payment if the following conditions are met:

- Their turnover has or will fall by 30% or more;
- They had an ABN on or before 12 March 2020;
- They had some income in the 2018-19 income year or made some supplies between 1 July 2018 and 12 March 2020 and provided a 2019 tax return or certain activity statements to the ATO by 12 March 2020;
- They were actively engaged in the business;
- They are not entitled to another JobKeeper Payment;
- They were aged at least 16 years of age as at 1 March 2020; and
- They were an Australian citizen, the holder of a permanent visa, or a Special Category (Subclass 444) Visa Holder at 1 March 2020.

Where the business is operated as a partnership, company or trust the entity can receive JobKeeper payments in relation to one nominated partner, beneficiary, director or shareholder who works in the business.

Should you wish to discuss the above issues in further detail, please do not hesitate to contact HW One on 07 3360 9600 or connect@hwone.com.au