

JobKeeper Extended

The Federal Government has announced that the JobKeeper scheme will be extended to 28 March 2021, previously scheduled to end on 27 September 2020. There will be changes to both the eligibility requirements and payment amounts.

- The fortnightly payment of \$1,500 will be reduced to \$1,200 from 28 September 2020 and \$1,000 from 4 January 2021.
- A new two-tiered payment structure will also be introduced from 28 September 2020, which will reduce the payment rates for those who worked fewer than 20 hours per week in February 2020.

The eligibility rules for employees remain unchanged. Particularly noting that the employee must have been employed as a full-time, part-time or long-term casual (employed in regular and systematic basis for at least 12 months as at 1 March 2020).

Changes to Eligibility Requirements

Businesses will be required to **reassess** their eligibility based on **actual** GST turnover, rather than projected GST turnover:

- To be eligible from 28 September 2020 to 3 January 2021, businesses must have met the decline in turnover test for both the June **and** September 2020 quarter; and
- To remain eligible from 4 January 2021 to 28 March 2021, businesses must have met the decline in turnover test for each of the June, September **and** December 2020 quarter.

The decline in turnover tests remains unchanged from the existing rules:

- Businesses with an aggregated turnover of less than \$1 billion who experience a decrease in turnover of more than 30 per cent relative to a comparable period a year ago (generally the corresponding quarters in 2019).
- Businesses with an aggregated turnover of \$1 billion or more who experience a decrease in turnover of more than 50 per cent relative to a comparable period a year ago (generally the corresponding quarters in 2019).
- Not-for-profit entities (including charities) who experience a decrease in turnover of more than 15 per cent relative to a comparable period a year ago (generally the corresponding quarters in 2019).

Similar to the Commissioner's existing discretion, there will be alternative tests for businesses where it is not appropriate to compare 2019 figures.

The JobKeeper scheme will continue to be available to new recipients, however they meet the existing eligibility requirements and additional turnover tests.

CHANGES TO JOBKEEPER ELIGIBILITY – TURNOVER TESTS		
Current	From 28 September 2020	From 4 January 2021
At least 30% reduction in <u>actual</u> or <u>projected</u> GST turnover relative to a comparable period a year ago (at least a month).	At least 30% reduction in <u>actual</u> GST turnover for: June 2020 Quarter; AND Sept 2020 Quarter.	At least 30% reduction in <u>actual</u> GST turnover for: June 2020 Quarter; AND Sept 2020 Quarter; AND Dec 2020 Quarter.

Eligibility for JobKeeper must be assessed in advance of BAS deadlines to ensure businesses pay their eligible employees that required amounts ("wage condition") in order to receive the JobKeeper payment from the ATO.

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Brentnalls NSW Pty Limited
ABN 54 109 527 835

admin@brentnallsnsw.com.au
www.brentnallsnsw.com.au

Level 9, 65 York St
Sydney NSW 2000

GPO Box 7020
Sydney NSW 2001

Tel +61 2 8252 5555
Fax +61 2 8252 5566

Changes to JobKeeper Payment Rate

From 28 September 2020 to 3 January 2021, people who worked at least 20 hours a week on average will receive a flat rate of \$1,200 a fortnight. Those who work less will receive a flat rate of \$750 per fortnight.

From 4 January 2021 to 28 March 2021, people who worked at least 20 hours a week on average will receive \$1,000 a fortnight. Those who work less will receive \$650 per fortnight.

- The test is based on hours worked for the month of February 2020 (or hours actively engaged in the business for eligible business participants),
- The Commissioner will have discretion to set out alternative tests where hours were not usual during February 2020 e.g. employee on leave or not employed for all of February 2020; and
- Businesses will be required to nominate which payment rate they are claiming for each of their employees/business participants.

CHANGES TO JOBKEEPER PAYMENT RATE		
Current	From 28 September 2020	From 4 January 2021
\$1,500 per fortnight	<ul style="list-style-type: none"> - 20+ hours per week - \$1,200 per fortnight 	<ul style="list-style-type: none"> - 20+ hours per week - \$1,000 per fortnight
	<ul style="list-style-type: none"> <20 hours per week \$750 per fortnight 	<ul style="list-style-type: none"> <20 hours per week \$650 per fortnight

Employers will continue to be required to make payments to employees (before tax), equal to or greater than the payment rate that applies to each employee ("wage condition").

The Government is moving quickly, and things are changing daily with regards to the response to COVID-19.

Should you have any queries regarding this measure, or any Government measure announced in relation to COVID-19, **please contact our office for more information.**

Disclaimer

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