

### 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 to \$750 and then \$650 for those who worked fewer than 20 hours per week (based on February 2020 or June 2020 hours).

### Changes to Eligibility Requirements

#### 1. Turnover Test

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 the September 2020 quarter only. The previously announce requirement to meet the decline in turnover test for June quarter also has been scrapped.
- To be eligible from 4 January 2021 to 28 March 2021, businesses must have met the decline in turnover test for the December 2020 quarter only. The previously announce requirement to meet the decline in turnover test for June and September quarters also has been scrapped.

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

- Businesses with an aggregated turnover of less than \$1 billion must 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 must 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) must 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 to 2019 figures.

The JobKeeper scheme will continue to be available to new recipients, however they must 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 September 2020 Quarter.	At least 30% reduction in <u>actual</u> GST turnover for December 2020 Quarter.

#### 2. Eligible Employees

From JobKeeper fortnights commencing on or after 3 August 2020, employees must have been employed as at 1 July 2020 (previously 1 March 2020). Employees 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 July 2020. Other requirements for eligible employees remain the same.

#### Disclaimer

The information provided in this information sheet does not constitute advice. The information is of a general nature only and does not take into account your individual financial situation. It should not be used, relied upon, or treated as a substitute for specific professional advice. We recommend that you contact Brentnalls SA before making any decision to discuss your particular requirements or circumstances.

# Government Stimulus Measure:

## JobKeeper Payment 2.0

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

### 3. Urgency to Assess Eligibility

The new reference date for eligible employees will apply for the last four fortnights of the existing JobKeeper 1.0 scheme and throughout the proposed JobKeeper 2.0 extended period. Eligibility for JobKeeper (including eligibility of employees) should be assessed before:

- if you are not yet registered – the end of the first JobKeeper fortnight for which you expect to have a JobKeeper entitlement;
- if you are already registered and expect to pay JobKeeper top-up amounts to previously ineligible employees – 16 August 2020 to ensure any top-up amounts are correctly calculated and recorded through Single Touch Payroll; or
- if you are already registered and do not expect to pay JobKeeper top-up amounts to previously ineligible employees – 31 August 2020.

The Commissioner of Taxation has the discretion to extend the time the employer has to make JobKeeper payments so they can confirm eligibility before making payments. The Commissioner has not yet exercised this discretion.

### 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 in the four weeks of pay periods before either 1 March 2020 or 1 July 2020, whichever is greater (or hours actively engaged in the business for eligible business participants).

CHANGES TO JOBKEEPER PAYMENT RATE		
Current Payment	From 28 September 2020	From 4 January 2021
\$1,500 per fortnight	20+ hours per week \$1,200 per fortnight	20+ hours per week \$1,000 per fortnight
	<20 hours per week \$750 per fortnight	< 20 hours per week \$650 per fortnight

The Commissioner will have discretion to set out alternative tests where hours were not usual during February/June 2020 e.g. employee on leave or not employed for all of February/June 2020 but usually employed.

Businesses will be required to nominate which payment rate they are claiming for each of their employees and business participant.

**These announced changes are not yet law. They remain subject to Treasury making a Legislative Instrument to amend the JobKeeper scheme rules and the Government enacting new legislation to extend the JobKeeper period.**

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.**

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