

JOBKEEPER 2.0

Changes in the JobKeeper payments

The JobKeeper Payment is being extended by a further six months to March 2021. The payment rate will be reduced and a lower payment rate will be introduced for those who work fewer hours. Other eligibility rules remain unchanged.

Payment Rate

From 28 September 2020 to 3 January 2021, the JobKeeper Payment rates will be:

- \$1,200 per fortnight for all eligible employees who, in the four weeks of pay periods before 1 March 2020, were working in the business or not-for-profit for 20 hours or more a week on average, and for eligible business participants who were actively engaged in the business for 20 hours or more per week on average in the month of February 2020; and

- \$750 per fortnight for other eligible employees and business participants.

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

- \$1,000 per fortnight for all eligible employees who, in the four weeks of pay periods before 1 March 2020, were working in the business or not-for-profit for 20 hours or more a week on average and for business participants who were actively engaged in the business for 20 hours or more per week on average in the month of February 2020; and

- \$650 per fortnight for other eligible employees and business participants. Businesses and not-for-profits will be required to nominate which payment rate they are claiming for each of their eligible employees (or business participants).

Turnover test

From 28 September 2020, businesses and not-for-profits seeking to claim the JobKeeper Payment will be required to demonstrate that they have suffered an ongoing significant decline in turnover using actual GST turnover (rather than projected GST turnover).

From 28 September 2020, businesses and not-for-profits will be required to reassess its eligibility with reference to its actual GST turnover in the June and September quarters 2020. It will need to demonstrate that it has met the relevant decline in turnover test in both of those quarters to be eligible for the JobKeeper Payment from 28 September 2020 to 3 January 2021.

From 4 January 2021, businesses and not-for-profits will need to further reassess its turnover to be eligible for the JobKeeper Payment. It will need to demonstrate that it has met the relevant decline in turnover test with reference to its actual GST turnover in each of the June, September and December quarters 2020 to remain eligible for the JobKeeper Payment from 4 January 2021 to 28 March 2021.

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;
- 15 per cent for Australian Charities and Not for profits Commission-registered charities (excluding schools and universities)

For further assistance, please call us at

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If a business or not-for-profit does not meet the additional turnover tests for the extension period, this does not affect their eligibility prior to 28 September 2020. The Commissioner of Taxation will have discretion to set out alternative tests where an employee's or business participant's hours were not usual during the February 2020 reference period. Guidance will be provided by the ATO where the employee was paid in non-weekly or non-fortnightly pay periods and in other circumstances the general rules do not cover.

The JobKeeper Payment will continue to be made by the ATO to employers in arrears. Employers will continue to be required to make payments to employees equal to, or greater than, the amount of the JobKeeper Payment (before tax), based on the payment rate that applies to each employee.

Calculating turnover

Generally businesses will use the basic test to determine fall in turnover. This is based on GST turnover. This applies even if your business is not registered for GST. In some cases, there are modifications to the turnover calculation.

For example, if you're part of a GST group, calculate your turnover as if you weren't part of the group. Your aggregated turnover is generally your annual turnover, plus the annual turnover of any business:

- connected with you;
- that is your affiliate.

When working out your aggregated turnover, you should not include certain income (for example, transactions between you and those other businesses). These connected businesses may be based in Australia or overseas.

Eligibility Updates

To be eligible for JobKeeper post 28 September 2020, organisations will only have to demonstrate that their actual turnovers have significantly declined in the previous quarter. That replaces this aspect that:

(a) From 28 September 2020 to 3 January 2021, businesses will need to demonstrate that their actual GST turnover has declined by the requisite percentage in both the June and September 2020 quarters, relative to the corresponding quarters in 2019;

(b) From 4 January 2020 to 28 March 2021, businesses will need to demonstrate that their actual GST turnover has declined by the requisite percentage in each of the June, September and December 2020 quarters, relative to the corresponding quarters in 2019.

The relevant date of employment for an eligible employee has been moved from 1 March to 1 July 2020, expanding the employee eligibility.