

TaxWise

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Australian Government Releases \$130 Billion JobKeeper Package to Keep Australians in Jobs

The Government has announced a \$130 billion JobKeeper payment to help keep more Australians in jobs and support businesses affected by the significant economic impact caused by the Coronavirus.

The payment ensures eligible employers remain connected to their workforce and will help businesses restart quickly when the crisis is over.

Summary

The JobKeeper Payment is a temporary scheme open to businesses impacted by the Coronavirus. The JobKeeper Payment will also be available to the self-employed.

The Government will provide \$1,500 per fortnight per employee for up to 6 months.

Eligibility

Employers (including non-for-profits) will be eligible for the subsidy if:

- their business has a turnover of less than \$1 billion and their turnover has fallen by more than 30 per cent (of at least a month); or
- their business has a turnover of \$1 billion or more and their turnover has fallen by more than 50 per cent (of at least a month); and
- the business is not subject to the Major Bank Levy.

To establish that a business has experienced a 30% (or 50%) fall in their turnover, most businesses would be expected to establish that their turnover has fallen in the relevant month or three months (depending on the natural activity statement reporting period of that business) relative to their turnover 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, (e.g. because there was a large interim acquisition, they were newly established 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 (e.g. 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 greater than 30% fall in turnover but actually experience a slightly smaller fall.

Employers must elect to participate in the scheme. They will need to make an application to the Australian Taxation Office (ATO) and provide supporting information demonstrating a downturn in their business. In addition, employers must report the number of eligible employees employed by the business on a monthly basis.

Eligible employers will receive the payment for each eligible employee that was on their books on 1 March 2020 and continues to be engaged by that employer – including full-time, part-time, long-term casuals and stood down employees. Casual employees eligible for the JobKeeper Payment are those employees who have been with their employer for at least the previous 12 months as at 1 March 2020.

To be eligible, an employee must be an Australian citizen, the holder of a permanent visa, a Protected Special Category Visa Holder, a non-protected Special Category Visa Holder who has been residing continually in Australia for 10 years or more, or a Special Category (Subclass 444) Visa Holder.

Eligible employers who have stood down their employees before the commencement of this scheme will be able to participate. Employees that are re-engaged by a business that was their employer on 1 March 2020 will also be eligible.

In circumstances where an employee is accessing support through Services Australia because they have been stood down or had their hours reduced and the employer will be eligible for the JobKeeper Payment, the employee should advise Services Australia of their change in circumstances online at my.gov.au or by telephone.

Self-employed individuals will be eligible to receive the JobKeeper Payment where they expect to suffer a 30 per cent decline in turnover relative to a comparable a period a year ago (of at least a month).

Where employees have multiple employers – only one employer will be eligible to receive the payment. The employee will need to notify their primary employer to claim the JobKeeper Payment on their behalf. The claiming of the tax free threshold will in most cases be sufficient notification that an employer is the employee's primary employer.

Payment process

Eligible employers will be paid \$1,500 per fortnight per eligible employee. Eligible employees will receive, at a minimum, \$1,500 per fortnight, before tax, and employers are able to top-up the payment.

Where employers participate in the scheme, their employees will receive this payment as follows.

- If an employee ordinarily receives \$1,500 or more in income per fortnight before tax, they will continue to receive their regular income according to their prevailing workplace arrangements. The JobKeeper Payment will assist their employer to continue operating by subsidising all or part of the income of their employee(s).
- If an employee ordinarily receives less than \$1,500 in income per fortnight before tax, their employer must pay their employee, at a minimum, \$1,500 per fortnight, before tax.
- If an employee has been stood down, their employer must pay their employee, at a minimum, \$1,500 per fortnight, before tax.
- If an employee was employed on 1 March 2020, subsequently ceased employment with their employer, and then has been re-engaged by the same eligible employer, the employee will receive, at a minimum, \$1,500 per fortnight, before tax.

It will be up to the employer if they want to pay superannuation on any additional wage paid because of the JobKeeper Payment. Payments will be made to the employer monthly in arrears by the ATO.

Timing

The subsidy will start on 30 March 2020, with the first payments to be received by employers in the first week of May.

Register your interest

Businesses will be able to register their interest in participating in the Payment from 30 March 2020 at the Australian Tax Office webpage linked below.

[Register your interest in the JobKeeper payment](#)

More Information:

Additional fact sheets are available from the Treasury website and are linked below:

- [Fact sheet for employers](#)
- [Fact sheet for employees](#)

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