



Federal Government Economic Response to Coronavirus Jobkeeper payment 2.0

The following are tax-related measures included in the Coronavirus Economic Response Package (Jobkeeper Payments) Amendment Bill 2020 (Cth) which was passed in Federal Parliament 1 September 2020.

- Under the JobKeeper Payment, businesses and not-for-profits significantly impacted by the Coronavirus outbreak will be able to access a wage subsidy from the Government to continue paying their employees. This assistance will help businesses to keep people in their jobs and re-start when the crisis is over. For employees, this means they can keep their job and earn an income.
- The JobKeeper Payment will also be available to the self-employed.
- JobKeeper 1.0 will remain till 27 September 2020 and thereafter, JobKeeper 2.0 will continue for a further six months till 28 March 2021. The temporary JobSeeker coronavirus supplement will be extended to 31 December 2020.

Extension of Jobkeeper Payment changes to JobKeeper

- There will be 2 rates of JobKeeper payments for eligible businesses (including self-employed), not-for-profits:
 1. **From 28 September 2020 to 3 January 2021:**
 - for eligible employees and business participants who worked 20 hours or more a week on average in the 4 week pay periods before either 1 March 2020 or 1 July 2020 – **A\$1200** per fortnight
 - for eligible employees and business participants who worked less than 20 hours a week on average in the 4 week pay periods before either 1 March 2020 or 1 July 2020 – **A\$750** per fortnight.
 2. **From 4 January 2021 to 28 March 2021:**
 - for eligible employees and business participants who worked 20 hours or more a week on average in the 4 week pay periods before either 1 March 2020 or 1 July 2020– **A\$1000** per fortnight

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**FEDERAL GOVERNMENT'S ECONOMIC RESPONSE TO CORONAVIRUS –
JOBKEEKER 2 PAYMENT**

- for eligible employees and business participants who worked less than 20 hours a week on average in the 4 week pay periods before either 1 March 2020 or 1 July 2020– **A\$650** per fortnight.
- To be eligible for the JobKeeper payments from 28 September 2020 to 3 January 2021, businesses and not-for-profits must satisfy the relevant decline in turnover test for the **September 2020 quarter** based on actual GST turnover relative to comparable periods (generally the corresponding quarter in 2019). (See Eligibility below). (ie 30% reduction GST turnover relevant for quarters if turnover < \$1 billion).
- To be eligible for the JobKeeper payments from 4 January 2021 to 28 March 2021, businesses and not-for-profits must satisfy the relevant decline in turnover test for the **December 2020 quarter** based on actual GST turnover relative to comparable periods (generally the corresponding quarter in 2019).
- The JobKeeper payment will remain open to new recipients provided they meet the existing eligibility requirements and the additional turnover tests during the extension period.
- 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 (i.e. the wage condition).

Eligibility for JobKeeper

Employers (including not-for-profits) - will be eligible for the subsidy if, at the time of applying:

- their business has an annual turnover of less than \$1 billion and their GST turnover has fallen by 30 per cent or more; or
- their business has an annual turnover of \$1 billion or more (or is part of a consolidated group for income tax purposes with turnover of \$1 billion or more) their GST turnover has fallen by 50 per cent or more; and
- they are an ACNC-registered charity other than universities and schools and their GST turnover dropped by more than 15%

Turnover test

- To establish that a business or not-for profit has faced the relevant fall in turnover, most would be expected to establish that their turnover has fallen in the relevant quarter **relative to their turnover in a corresponding quarter a year earlier**. Turnover is calculated as it is for GST purposes, and is reported on Business Activity Statements. It includes all taxable supplies and all GST free supplies but not input taxed supplies.

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Employers must elect to participate in the scheme if they have not done so in respect to JobKeeper 1. They will need to make an application to the Australian Taxation Office (ATO) and provide supporting information demonstrating a downturn in their business.

Eligible employees - Changes to employee eligibility

- Employees that meet the eligibility requirements can now be nominated by a new employer if their original employment with a JobKeeper employer ended before 1 July 2020.
- As of 3 August 2020, the key date for assessing employee eligibility is now 1 July 2020, rather than 1 March 2020.
- For the fortnights commencing on 3 and 17 August 2020, employers have until 31 August 2020 to meet the wage condition for new eligible employees under the 1 July eligibility test.

20 July 2020 – changes for childcare providers

Eligibility for JobKeeper payments will stop from 20 July for:

- employees of an approved provider of childcare services where those employees whose ordinary duties are that they are engaged principally in the operation of the childcare centre
- eligible business participants where the business entity is an approved provider of a childcare service.

Childcare providers need to ensure that they do not claim JobKeeper for employees and eligible business participants who are no longer eligible. You will not be reimbursed for payments made after JobKeeper Fortnight 8 (6 July to 19 July).

Changes to the JobSeeker program

- The JobSeeker coronavirus supplement will decrease to A\$250 a fortnight from A\$550. Therefore, people on JobSeeker will receive a decrease from A\$1100 to A\$800 (base rate of A\$550 plus the coronavirus supplement) per fortnight after September.
- Recipients will be allowed to earn A\$300 a fortnight before facing a reduction in their Government payment.

** Source: Economic response to Coronavirus [treasury.gov.au/coronavirus](https://www.treasury.gov.au/coronavirus)**

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