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JobKeeper Payment Scheme

The purpose of this Fact Sheet is to enable you to make a **quick assessment** of your eligibility for the Government's JobKeeper Payment Scheme. It is not a comprehensive guide as the rules are quite complex. If, after you have examined the information in this Fact Sheet and believe that you may be eligible, please **contact us immediately** so we may assist you further.

The JobKeeper Payment scheme was announced on 30 March 2020 by the Prime Minister and the Treasurer. The purpose of the scheme is to keep people employed even though the business they work for has suffered a downturn including a 'hibernation' or close down for a temporary period.

Businesses impacted by the Coronavirus will be able to access a **wage subsidy** from the Government to assist in continuing to pay their employees. Eligible employers will be able to claim a fortnightly payment of **\$1,500** per eligible employee from 30 March 2020, for a maximum period of **6 months**. The Scheme will run from Monday 30 March 2020 to Sunday 27 September 2020.

IMPORTANT: Urgent Action Required by 26th April 2020

If you believe you are eligible *from the 30 March*, you need to act **now!**

Employers **must elect** to take part in the JobKeeper scheme. It is not mandatory for eligible employers to participate.

Is your business eligible for your employees?

An employer is entitled to the JobKeeper payment in respect of an individual (an employee) in relation to a fortnight if it meets seven conditions.

Condition 1

- on 1 March 2020, you **carried on a business** in Australia; and
- you satisfy the **decline in turnover** test on or before the fortnight

Decline in turnover test

The decline in turnover test Turnover for this purpose is calculated on the same basis as it is for GST purposes. The decline in turnover test operates by comparing:

- your projected turnover for a turnover test period; with
- your current turnover for a relevant comparison period

For example, you can compare either:

- the whole of the month of March 2020 with March 2019; or
- the June 2020 quarter with the June 2019 quarter.



JobKeeper Payment Scheme Fact Sheet - Are you Eligible?



If an entity does not meet the decline in turnover test on 30 March 2020, but does so at a later time, the entity will become eligible for the JobKeeper payment from that later time. The JobKeeper payment is not backdated to 30 March 2020.

How much does my decline in turnover need to be?

Aggregated Turnover was > \$1 Billion	50%
Aggregated Turnover was <\$1 Billion	30%

The basic test may not accurately reflect the downturn in activity that your business has suffered. The Rules provide the Commissioner with discretion to set out an alternative test, where the Commissioner is satisfied that there is not an appropriate relevant comparison period in 2019. For example, a business that started on 1 January 2020.

Condition 2 - The fortnight is a JobKeeper fortnight

A JobKeeper fortnight is defined as:

- the fortnight beginning on Monday, 30 March 2020 (i.e. and ending on Sunday, 12 April 2020);
- each subsequent fortnight, ending with the fortnight ending on Sunday, 27 September 2020

Condition 3 - Notification

You must notify the Commissioner that you elect to participate in the JobKeeper scheme

For the first or second JobKeeper fortnight (i.e. fortnights ending 12 and 26 April 2020) you **must notify by 26 April 2020**).

For later or subsequent fortnights, you must notify by the **end** of the fortnight.

Condition 4 - Eligible employees

Your Employees will be **eligible employees** for a fortnight where:

- they are employed by you at any time in the fortnight; and
- on 1 March 2020;
 - they were aged 16 years or over, and
 - were either:
 - a full-time or a part-time employee of yours; or
 - a 'long term casual employee' of yours — i.e. they had been employed by you on a 'regular and systematic basis' during the period of 12 months ending on 1 March 2020. A long term casual employee cannot be an employee (other than a casual employee) of another entity.
 - they were either:
 - an Australian resident (for social security law purposes); or

JobKeeper Payment Scheme Fact Sheet - Are you Eligible?



- a tax resident and held a special category Subclass 444 visa (for New Zealanders).
- they agree to be nominated by you as an eligible employee for the purposes of the JobKeeper scheme.

You can claim JobKeeper for employees that were stood down after 1 March 2020. Even if they remain stood down, the employer must nevertheless pay them a minimum of \$1,500 per fortnight in order to remain eligible.

Where you let employees go after 1 March 2020 but subsequently re-hired them, you can claim JobKeeper in relation to these employees. This is the case even if the employer needs to immediately stand them down, so long as they are employed. The employees must have been employed by the same employer on 1 March 2020 and let go only after that date.

Employees who were not engaged by you on 1 March 2020 **are not eligible**.

Some employees are **not eligible** if they receive some Government assistance.

Your employees must give you a 'nomination notice' in the approved form. It needs to be returned to you by the end of April in order for you to claim JobKeeper for April.

You must advise your employees whether they have been nominated as an eligible employee, within seven days of notifying the Commissioner of the individual's details.

Condition 5 - Wage Condition

You satisfy the wage condition in respect of an employee for a JobKeeper fortnight where their gross pay will **exceed \$1,500**: Gross Pay includes;

- amounts paid to the employee as salary, wages, commission, bonuses or allowances;
- amounts withheld under the PAYG withholding rules for employees;
- salary sacrificed superannuation contributions
- other salary sacrificed amounts

Where an employee has previously been paid less than \$1500 per fortnight, you will need to "top up" to ensure they receive a minimum of \$1500 per fortnight.

The JobKeeper payment cannot be claimed for employees who were not paid the full amount of \$1,500 for the fortnight. Further, the payment is a reimbursement and cannot be paid in advance.

Where your pay run period is usually longer than a fortnight, those payments can be allocated to one or more fortnights in a 'reasonable manner' for the purposes of the wage condition. For example, if your ordinary arrangement is to pay an employee every four weeks, it may be reasonable for the purposes of satisfying the wage condition if the employee is paid at least \$3,000 for every four-week period.

The Commissioner has discretion to treat a particular event as having happened in a different fortnight(s) to the extent that it is reasonable to do so in his opinion.

Condition 6 - Information given to the Commissioner

You are required to give information about the entitlement for the fortnight, including details of the individual, to the Commissioner, in the approved form.

JobKeeper Payment Scheme Fact Sheet - Are you Eligible?



Condition 7 - You have not opted out of the scheme

An employer is not entitled to the JobKeeper payment if they notify the Commissioner that they no longer wish to participate in the JobKeeper scheme. This notification must be made in the form approved by the Commissioner.

Is your business eligible for your owners who are not employees?

Eligibility based on 'business participants' who are not employees

The Rules also allow a limited entitlement to the JobKeeper payment for certain individuals who are not employees of entities but who are actively engaged in the business carried on by a sole trader, partnership, trust or company (i.e. not passive partners, shareholders and beneficiaries).

<u>Entity</u>	<u>The Individual</u>
Sole trader	The sole trader
Partnership	A partner in the partnership
Trust	An adult beneficiary of the trust
Company	A shareholder in or a director of the company

In relation to a fortnight, the individual must be '**actively engaged**' in the business carried on by the entity. They cannot also be an employee of the entity at any time during the fortnight.

The individual must have met the following conditions on 1 March 2020:

- they were aged 16 years or over;
- they were **actively engaged** in the business;
- their relationship to the entity was as outlined above;
- they were either:
- an Australian resident.

The individual must give their entity a 'nomination notice' in the approved form, and at the time of the nomination, they cannot be an employee (other than a casual employee) of another entity.

The entity must satisfy the general eligibility requirements for employers outlined above, and the individual is an 'eligible business participant' and not an employee. The entity must notify an individual in writing within seven days of giving the individual's information to the Commissioner for the fortnight (except for sole traders).

There can only be **one** eligible business participant nominated for each entity.

Integrity rule

An entity is not entitled to a JobKeeper payment for an eligible business participant unless the entity had an ABN on 12 March 2020 (or a later time allowed by the Commissioner) — i.e. an entity that is recently created to access the JobKeeper payment will not qualify.

In addition, the entity must be able to demonstrate that it **was** in business and has notified the Commissioner by either:

JobKeeper Payment Scheme Fact Sheet - Are you Eligible?



- an amount was included in the entity's assessable income for the 2018–19 income year in relation to it carrying on a business, and the Commissioner was notified on or before 12 March 2020 (or a later time allowed by the Commissioner); or
- the entity made a taxable supply in a tax period that started on or after 1 July 2018 and ended before 12 March 2020, and the Commissioner was notified on or before 12 March 2020 (or a later time allowed by the Commissioner).

JobKeeper Payment Scheme Fact Sheet - Are you Eligible?

The following questions are intended to assess eligibility for the JobKeeper Scheme

<u>Eligibility Criteria</u>		
Employer Conditions	Yes	No
Was my business being carried on 1 March 2020?	<input type="checkbox"/>	<input type="checkbox"/>
Has my Turnover declined by the required percentage? (Turnover >\$.1 Billion - 50% Turnover < \$1 Billion - 30%)	<input type="checkbox"/>	<input type="checkbox"/>
Notification -I have or I will advise the ATO on the approved form of my intention to participate in the JobKeeper Scheme?	<input type="checkbox"/>	<input type="checkbox"/>
Is the fortnight a JobKeeper fortnight? (30 March 2020 - 27 September 2020)	<input type="checkbox"/>	<input type="checkbox"/>
I have or I will notify my employee that I have nominated them for the JobKeeper Scheme?	<input type="checkbox"/>	<input type="checkbox"/>
I have or I will provide the ATO with information in the approved form?	<input type="checkbox"/>	<input type="checkbox"/>
Employee Conditions	Yes	No
Was my employee?		
Employed at any time in the fortnight?	<input type="checkbox"/>	<input type="checkbox"/>
At 1 March 2020 -		
Aged 16 or over?	<input type="checkbox"/>	<input type="checkbox"/>
Full or part time? or Long term Casual Employee (> 12 months)?	<input type="checkbox"/>	<input type="checkbox"/>
Australian Resident?	<input type="checkbox"/>	<input type="checkbox"/>
The Employee has agreed to be nominated and has or will provide me with notification?	<input type="checkbox"/>	<input type="checkbox"/>
Wages Condition		
Have I paid my employee a minimum of \$1500 Gross Pay for the relevant fortnight?	<input type="checkbox"/>	<input type="checkbox"/>
Not Opted Out		
You have NOT notified the ATO that you no longer want to participate?	<input type="checkbox"/>	<input type="checkbox"/>

If you have answered "yes" to **ALL** of the above you **may** qualify for the JobKeeper Payments from the ATO. We can assist you in **confirming** your eligibility and completing all necessary forms. Please contact us as a matter of urgency.

If you have answered any question "**No**", you are unlikely to qualify for the JobKeeper Payment Scheme.

JobKeeper Payment Scheme Fact Sheet - Are you Eligible?



<u>Business Participant Eligibility</u>		
Entity Requirements	Yes	No
Was my entity carrying on business on 1 March 2020?	<input type="checkbox"/>	<input type="checkbox"/>
Has my Turnover declined by the required percentage? (Turnover >\$.1 Billion - 50% Turnover < \$1 Billion - 30%)	<input type="checkbox"/>	<input type="checkbox"/>
Notification -I have or I will advise the ATO on the approved form of my intention to participate in the JobKeeper Scheme?	<input type="checkbox"/>	<input type="checkbox"/>
Is the fortnight a JobKeeper fortnight? (30 March 2020 - 27 September 2020)	<input type="checkbox"/>	<input type="checkbox"/>
Have I notified my business participant that I have nominated them for the JobKeeper Scheme?	<input type="checkbox"/>	<input type="checkbox"/>
Have I provided the ATO with information in the approved form?	<input type="checkbox"/>	<input type="checkbox"/>
Individual - Business Participant Requirements	Yes	No
The individual was actively engaged in the business at any time in the fortnight?	<input type="checkbox"/>	<input type="checkbox"/>
The Individual is a relevant Business Participant If a Sole trader the sole trader If a Partnership - a partner If a Trust - an adult beneficiary of the trust If a Company - a Shareholder or Director	<input type="checkbox"/>	<input type="checkbox"/>
At 1 March 2020 -		
Aged 16 or over?	<input type="checkbox"/>	<input type="checkbox"/>
Full or part time? or Long term Casual Employee (> 12 months)?	<input type="checkbox"/>	<input type="checkbox"/>
Australian Resident?	<input type="checkbox"/>	<input type="checkbox"/>
The individual has agreed to be nominated and provided the entity with notification?	<input type="checkbox"/>	<input type="checkbox"/>
Has the Entity satisfied the integrity Rule?	<input type="checkbox"/>	<input type="checkbox"/>

If you have answered "yes" to **ALL** of the above you **may** qualify for the JobKeeper Payments from the ATO. We can assist you in **confirming** your eligibility and completing all necessary forms. Please contact us as a matter of urgency.

If you have answered any question "No", you are unlikely to qualify for the JobKeeper Payment Scheme.



**JobKeeper Payment Scheme
Fact Sheet - Are you Eligible?**

