

JobKeeper Payment Frequently Asked Questions

What is the JobKeeper payment?

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.

When will the JobKeeper payment commence?

The JobKeeper Payment will be available from 30 March 2020 however first payment will be in first week of May.

How long will the JobKeeper Payment last for?

The JobKeeper Payment will be available for the period 30 March 2020 until 27 September 2020.

Is my business eligible?

- Business turnover of less than \$1 billion have their turnover reduced by more than 30% relative to a comparable period a year ago (of at least a month); or
- Business turnover of \$1 billion or more have their turnover reduced by more than 50% relative to a comparable period a year ago (of at least a month); and
- The business is not subject to the Major Bank Levy.

To establish if a business turnover has reduced by more than 30 (or 50)%, 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 significantly affected by the impacts of the Coronavirus.

What do I need to do if I want to participate?

Eligible employers need to determine if they want to participate in this program by electing into it. If you want to participate, you can register your interest on the ATO website – <https://www.ato.gov.au/Job-keeper-payment/>

How do I work out which of my employees are eligible employees?

You will only be able to claim the JobKeeper payment for eligible employees that were in your employment on 1 March 2020 and continue to be employed while you are claiming the JobKeeper payment.

An eligible employee is an employee who:

- Currently employed by the eligible employer (including those stood down or re-hired);
- Full-time or part-time employee, or a casual employed on a regular and systematic basis for longer than 12 months as at 1 March 2020;
- Aged 16 years or older at 1 March 2020;
- An Australian citizen, the holder of a permanent visa, or a Special Category (Subclass 444) Visa Holder at 1 March 2020;
- A resident for Australian tax purposes on 1 March 2020; and
- Not in receipt of a JobKeeper Payment from another employer.

You can only claim JobKeeper payment for eligible employees if you pay the \$1,500 gross per fortnight to each eligible employee.

These payments should be made using your payroll system and reported to the ATO via Single Touch Payroll. This will support the online claim process when it is available.

If you do not report through Single Touch Payroll, you can still claim the JobKeeper payment; however there will be a manual claim process.

You will be required to advise your employees whether you have nominated them as an eligible employee for the purposes of the payment.

When will I receive the first payment?

ATO will make first payment to employers in the first week of May.

How often will these payments be made?

ATO will make payment monthly in arrears.

What are the eligible payment periods for reimbursement for a JobKeeper subsidy?

Employers will need to satisfy payment requirements for their eligible employees in respect of each 14 day period covered by the scheme. The first period starts on Monday 30 March 2020 and ends on Sunday 12 April 2020.

The payment requirement is that they pay their eligible employees a minimum of \$1,500 per fortnight in the scheme payment periods. Where an employer pays their staff monthly, the ATO will be able to reallocate payments between periods. However, overall an employee must have received the equivalent of \$1,500 per fortnight.

The final period will start on Monday 14 September 2020 and end on Sunday 27 September 2020.

If I have stood down my employees after 1 March 2020, and are no longer paying them, do I need to pay them, for what period and by when?

Yes. You can claim JobKeeper for employees that were stood down after 1 March 2020. To be

eligible in relation to these employees, you will need to pay them a minimum of \$1,500 gross per fortnight for the payment periods of the JobKeeper Scheme.

The first payment period under the scheme is from 30 March 2020 to 12 April 2020. Where an employer pays their staff monthly the monthly payment must be equivalent to the required fortnightly payment.

For all following payment periods you will need to continue to pay your employees a minimum of \$1,500 gross per fortnight, before the end of the payment period.

What is the definition of turnover?

Turnover will be defined according to the current calculation 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.

There are some modifications for businesses that are part of a GST group.

Is this turnover test related to only turnover in Australia, or does it include overseas operations as well?

Under the GST law, only Australian based sales are included and therefore, only Australian based turnover is relevant. A decline in overseas operations will not be counted in the turnover test.

My business has only just started or my business has 'lumpy' income. How can I self-assess that my turnover has fallen 30%?

To establish that a business has faced or is likely to face a 30% or more or 50% or more fall in turnover, most businesses would be expected to establish that their turnover has fallen in the relevant month or quarter (depending on the Business Activity Statement reporting period of that business) relative to their turnover in a corresponding period 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, were scaling up, 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 30% or more or 50% or more fall in turnover but actually experience a slightly smaller fall.

My turnover has not decreased by 30% this month, but I believe it will in the coming month. Am I eligible?

You can apply for the payment if you reasonably expect that your turnover will fall by 30% or more (or 50% or more for businesses with a turnover of \$1 billion or more) relative to your turnover in a corresponding period a year earlier. The ATO will provide guidance about self-assessment of actual and anticipated falls in turnover.

It is unlikely that my turnover will decrease by 30% in the coming month, but can I apply later if my turnover decreases in one of the subsequent months?

If a business does not meet the turnover test at the start of the JobKeeper scheme on 30 March 2020, the business can start receiving the JobKeeper Payment at a later time once the turnover test has been met. In this case, the JobKeeper Payment is not backdated to the commencement of the scheme. Businesses can receive JobKeeper Payments up to 27 September 2020.

My business still operating and my employees are still working. How will my payments to them be affected?

In many cases, your payments and obligations to eligible employees will not change. Your business, if eligible, will receive a \$1,500 per fortnight subsidy to support their continued employment. However, if any eligible employee currently earns less than \$1,500 gross per

fortnight, you will need to pay them \$1,500 gross per fortnight to receive the JobKeeper payment.

If I have stood down my employees without pay after 1 March 2020, can I backpay them to 30 March 2020?

Yes. If you want to claim the JobKeeper Payment for your employees you will need to confirm your eligible employees want to be part of the scheme and arrange for them to be paid a minimum of \$1,500 gross per fortnight from 30 March 2020.

I let my employees go after 1 March 2020. If I re-hire them, am I eligible to receive the payment?

Yes. You can receive the payment if you re-hire any eligible employees you had at 1 March 2020. You can receive the payment even if you then need to immediately stand them down, so long as they remain employed.

What happens if I don't have the money to continue paying my eligible employees until the payments are made?

The JobKeeper Payment is a reimbursement scheme that will be paid by the ATO monthly in arrears.

In cases where this may present cash flow difficulties, those businesses may want to speak to their bank to discuss their options. The banks have said businesses may be able to use the upcoming JobKeeper payment as a basis to seek credit in order to pay their employees until the scheme is making its first payments.

Am I required to pay PAYG W and Superannuation on the JobKeeper payment?

You must pay a minimum of \$1,500 per fortnight to your eligible employees, withholding income tax as appropriate. The \$1,500 per fortnight per employee is a gross amount. Where an employee is paid more than \$1,500 per fortnight, the employer's superannuation obligations will not change. Where an employee is having their wages topped up to \$1,500 per fortnight by the JobKeeper Payment, it will be up to the employer if they want to pay superannuation on any additional wages paid by the JobKeeper Payment.

What happens if my employee resigns?

If an employee for whom you are receiving the JobKeeper Payment resigns, you must notify the ATO. You may need to refund some money to the ATO.

I hired an employee after 1 March 2020. Can I receive the JobKeeper payment for them?

No. The employee must have been engaged as of 1 March 2020.

I purchased a business in the last 12 months and retained some casual employees who worked for the previous business owner. Are the casual employees eligible?

Employers must assess whether their casual employees satisfy the test of working for 12 months on a regular and systemic basis. A casual may still meet this condition even if the entity operating the business has changed recently.

I accepted some casual employees from another member of my corporate group. Are the casual employees eligible?

Employers must assess whether their employees satisfy the test of working for 12 months on a regular and systematic basis. A casual may still meet this condition even if they were they were transferred from another member of a corporate group within the last 12 months.

What should I do if I want to re-hire an eligible employee who received a redundancy package?

If an eligible employee has received a redundancy package and you wish to re-hire them, you will need to consult with the employee and consider prevailing workplace arrangements to settle redundancy terms.

Will the ATO use the JobKeeper payments to offset as a bad debt?

The payment will generally be paid directly to the employer and not used to offset tax liabilities, as the intent is that it is a payment that facilitates employers to pay their employees.

I run a labour hire company. Will employees be eligible if their host employer claims the JobKeeper payment?

Employees are only eligible in respect of their direct employer.

Can I receive the JobKeeper payment for employees in receipt of workcover?

Employees will not be eligible for the JobKeeper scheme if they are fully incapacitated, unable to work and being supported by a workers compensation scheme. In other cases, employees would be eligible as they are in an employment relationship with their employer, provided their employer has an obligation to pay some component of their salary or wages. If your employee is fully compensated under your workcover insurance, they will be ineligible for the JobKeeper scheme.

I am self-employed. Am I eligible for the payment?

Yes. People who are self-employed will be eligible for the payment provided, at the time of applying, they:

- Estimate their turnover has or will fall by 30% or more;
- Had an ABN on or before 12 March 2020, and
 - either had an amount included in its assessable income for the 2018-19 year and it was included in their income tax return lodged on or before 12 March 2020 (or such later time as allowed by the Commissioner), or
 - made a supply during the period 1 July 2018 to 12 March 2020 and provided this information to the Commissioner on or before 12 March 2020 (or such later time as allowed by the Commissioner);
- Actively engaged in the business;
- Not entitled to another JobKeeper Payment (either a nominated business participant of another business or as an eligible employee);
- Aged at least 16 years of age as at 1 March 2020; and
- An Australian citizen, the holder of a permanent visa, or a Special Category (Subclass 444) Visa Holder at 1 March 2020.

My business is a partnership. Can each partner receive a JobKeeper payment?

No. Only one partner can be nominated to receive a JobKeeper Payment along with any eligible employees, noting a partner cannot be an employee.

Can Trusts receive the JobKeeper payment?

Trusts can receive JobKeeper payments for any eligible employees. Where beneficiaries of a trust only receive distributions, rather than being paid salary and wages for work done, one individual beneficiary (that is, not a corporate beneficiary) can be nominated to receive the JobKeeper Payment.

I am a company director that receives director fee. Am I eligible?

An eligible business can nominate only one director to receive the payment, as well as any eligible employees. Only one person in a director capacity may receive the payment and that individual may not receive the payment as an employee.

I am paid as a shareholder. Am I eligible?

An eligible business that pays shareholders that provide labour in the form of dividends will only be able to nominate one shareholder to receive the JobKeeper Payment.

I received rental income as a Landlord but I am not registered as a business. Am I eligible?

No. Only businesses with employees or self-employed people are eligible for the JobKeeper Payment.

I am self-employed. How can I apply for the JobKeeper payment?

The ATO will administer the program with an online application process. You may be asked to provide your ABN and a single Tax File Number for the eligible recipient of the JobKeeper Payment, and a declaration of business activity.

I am self-employed and also have a job. Am I eligible for the JobKeeper payment?

An individual can only receive JobKeeper Payments from one source. However, if you are eligible for a JobKeeper Payment, you can also receive income from other sources including another job.

Affected by Coronavirus?

STC Partners is here to help if you need help reviewing Job Keeper stimulus package or need help to review your short term and medium term cash flow needs. Please call our office on 9362 1000 or email us at admin@stcpartners.com.au if you have any further questions.