



COVID-19 Job Keeper Payment Explained

15 April 2020

The rules governing the Job Keeper payment have been published, explaining in detail the eligibility criteria for both employers and their employees

The Treasurer has released the Job Keeper rules and an accompanying explanatory statement, setting out the obligations governing the \$1,500 fortnightly payment.

A majority of questions posed by business owners since the enactment of Job Keeper have concerned the decline in turnover test, and according to the statement, there are two ways for entities to satisfy this requirement: the basic test and the alternative test.

The basic test compares the GST turnover of any single month from March to September 2020, or the quarters that start on 1 April 2020 or 1 July 2020, with the corresponding period in 2019.

For example, a business can make the comparison by comparing the whole of the month of March 2020 with March 2019, or by comparing the quarter beginning on 1 April 2020 with the quarter beginning 1 April 2019.

A business will generally satisfy the test where the GST turnover in the turnover test period falls short of the comparison turnover and the shortfall is 30 per cent or more.

The alternative test applies where there is not an appropriate relevant comparison period in 2019. According to the Treasury, this might be the case for a new business or a business that made a major business acquisition in 2020.

This alternative decline in turnover test will be determined by the Commissioner of Taxation.

Once a business satisfies the decline in turnover test, it does not need to retest its turnover in later months.

Monthly Reporting

However, entities are still required to report monthly to the ATO.

According to the rules, an entity that is entitled to a Job Keeper payment must notify the commissioner of their current GST turnover for the reporting month and their projected GST turnover for the following month, on a monthly basis.

All ACNC-registered charities and gift-deductible recipients that are eligible for the Job Keeper payment must also report to the commissioner.

The explanatory statement sets out that a reporting month is a month in which there is a fortnight for which the entity is entitled to a Job Keeper payment.

The Treasury however, reminded that the information provided as part of this report does not affect an entity's eligibility, including in respect of the decline in turnover test.

The statement read: "It is also not intended to verify whether the projection given as part of the decline in turnover test was accurate".

"Rather, it is intended to ensure that there is good information on which to assess the economic impact of the coronavirus on a monthly basis across Australia".

All Employees Must be Covered

Delving further into the eligibility criteria, the statement points out that once an employer decides to participate in the Job Keeper scheme, they must ensure that all of their eligible employees are covered by it.

"This includes all eligible employees who are undertaking work for the employer or have been stood down", the explanatory statement continued.

The employer cannot select which eligible employees will participate in the scheme, the document stressed.

"This 'one in, all in' rule is a key feature of the scheme".

Registration

You or your registered Tax Agent may enrol for the Job Keeper Payment **from the 20 April 2020**.

Steps to Take (from 20th April)

We can undertake this process for you – Please call our office to discuss if you believe your turnover will fall by 30% or more.

- Step 1 – Register your interest and subscribe for Job Keeper payment updates.
- Step 2 – Check you and your employees meet the eligibility requirements.
- Step 3 – Continue to pay at least \$1,500 to each eligible employee per Job Keeper fortnight (the

first Job Keeper fortnight is the period from 30 March to 12 April).

- Step 4 – Notify your eligible employees that you are intending to claim the Job Keeper payment on their behalf and check they aren't claiming Job Keeper payment through another employer or have nominated through another business.
- Step 5 – Send the Job Keeper Employee Nomination Notice (copy attached) to your nominated employees to complete and return to you by the end of April if you plan to claim Job Keeper payment for April. Keep it on file and provide a copy to your registered tax agent if you are using one.
- Step 6 – From 20 April 2020, you can enrol for the Job Keeper payment using the Business Portal (we can do this for you) and authenticate with MyGov ID. You must do this by the end of April to claim Job Keeper payments for April.
- Step 7 – In the online form, provide your bank details and indicate if you are claiming an entitlement based on business participation, for example if you are a sole trader.
- Step 8 – Specify the estimated number of employees who will be eligible for the first Job Keeper fortnight (30 March – 12 April) and the second Job Keeper fortnight (13 April – 26 April).

Confirmation of eligible employees you will claim Job Keeper Payment for (available from 4 May 2020 onwards)

You or a registered tax agent can apply for the Job Keeper payment for your eligible employees:

- Step 1 – Apply to claim the Job Keeper payment by logging in to the ATO Business Portal (we can do this for you)
- Step 2 – Ensure you have paid each eligible employee a minimum of \$1,500 per Job Keeper fortnight before tax.
- Step 3 – Identify your eligible employees in the application form by

- selecting employee details that are prefilled from your STP pay reports if you report payroll information through an STP enabled payroll solution, or
 - manually entering employee details in the ATO online services or the Business Portal if you do not use an STP enabled payroll solution, or
 - using a registered tax agent who will submit a report on your behalf through Online services for agents.
- Step 4 – Submit the confirmation of your eligible employees online and wait for your confirmation email or SMS showing it has been received.
 - Step 5 – Notify your eligible employees you have nominated them.
 - Step 6 – We will pay you the Job Keeper payment for all eligible employees after receiving your application.
 - Step 7 – Each month, you will need to reconfirm that your reported eligible employees have not changed through ATO online services, the Business Portal or via your registered tax agent. This will ensure you will continue to receive the Job Keeper payments from us. You do not need to retest your reported fall in turnover, but you will need to provide some information as to your current and projected turnover. This will be done in your monthly Job Keeper Declaration report.
 - Step 8 – If your eligible employees change or leave your employment, you will need to notify us through your monthly Job Keeper Declaration report.

What do you need to do for your employees

You need to identify which employees you intend to claim the Job Keeper payment for and tell them you intend to claim the Job Keeper payment for them.

You need to provide these employees with the **Job Keeper employee nomination notice (attached)** and ask

them to return it to you by the end of April if you want to claim Job Keeper payment for April.

If your employees have multiple employers, they can usually choose which employer they want to nominate through. However, if your employees are long-term casuals and have other permanent employment, they cannot nominate you. They cannot receive the Job Keeper payment from more than one employer.

If an employee is currently receiving an income support payment, they must notify [Services Australia](#) of their new income to avoid incurring a debt that they will have to repay.

Paying your eligible employees

Please see *attached extract from the ATO website*.

Breaking News! Victorian Government – Landlord & Tenant Support

Premier Daniel Andrews today announced a \$500 million package aimed at providing support to Landlords and tenants, you qualify for “Job Keeper payment” – see *attached Media Release*.

Stay well and take care