

Government announces \$130 bln Job keeper payment

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JOB KEEPER PAYMENT

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

Around 6 million workers will receive a fortnightly payment of \$1,500 (before tax) through their employer, over the next six months

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

The subsidy will be available to all full-time and part-time workers, sole traders and casuals who have been with their employer for 12 months or more

People who lost their jobs after March 1 will also be eligible

1.0. JOB KEEPER PAYMENT: INFORMATION FOR EMPLOYERS

2 If your business has been significantly impacted by the Coronavirus you will be able to access a wages subsidy to continue paying your employees. Under the Job Keeper program, you will be able to claim a fortnightly payment of \$1,500 per eligible employee from 30 March 2020, for a maximum of six months. This assistance will help you keep staff and will help you restart when the crisis is over.

1.1. EMPLOYER OBLIGATIONS:

To receive the Job Keeper Payment, employers must:

* Register an intention to apply on the ATO website and assess that they have or will **experience the required turnover decline.**

• **Provide information to the ATO on eligible employees.** This includes information on the number of eligible employees engaged as at 1 March 2020 and those currently employed by the business (including those stood down or rehired). For most businesses, the ATO will use Single Touch Payroll data to pre-populate the employee details for the business.

- **Ensure that each eligible employee receives at least \$1,500 per fortnight (before tax).**

For employees that were already receiving this amount from the employer then their income will not change.

For employees that have been receiving less than this amount, the employer will need to top up the payment to the employee up to \$1,500, before tax.

For employees earning more than this amount, the employer is able to provide them with a top-up.

- **Notify all eligible employees that they are receiving the Job Keeper Payment.**
- Continue to provide information to the ATO on a monthly basis, including the number of eligible employees employed by the business.

1.2 ELIGIBLE EMPLOYERS

Employers will be eligible for the subsidy if:

- their business has a turnover of less than \$1 billion and their turnover will be reduced by more than 30 per cent relative to a comparable period a year ago (of at least a month); or
 - their business has a turnover of \$1 billion or more and their turnover will be reduced by more than 50 per cent relative to a comparable period a year ago (of at least a month); and
 - the business is not subject to the Major Bank Levy.
- The employer must have been in an employment relationship with eligible employees as at 1 March 2020, and confirm that each eligible employee is currently engaged in order to receive Job Keeper Payments.
 - Not-for-profit entities (including charities) and self-employed individuals (businesses without employees) that meet the turnover tests that apply for businesses are eligible to apply for Job Keeper Payments

1.3. ELIGIBLE EMPLOYEES:

Eligible employees are employees who:

- are currently employed by the eligible employer (including those stood down or re-hired);
- were employed by the employer at 1 March 2020;
- are full-time, part-time, or long-term casuals (a casual employed on a regular basis for longer than 12 months as at 1 March 2020);

If your employees receive the Job Keeper Payment, this may affect their eligibility for payments from Services Australia as they must report their Job Keeper Payment as income.

1.4. APPLICATION PROCESS

1.4.a. Businesses with employees

Initially, employers can register their interest in applying for the Job Keeper Payment via ato.gov.au from 30 March 2020.

Subsequently, eligible employers will be able to apply for the scheme by means of an online application. The first payment will be received by employers from the ATO in the first week of May.

Eligible employers will need to identify eligible employees for Job Keeper Payments and must provide monthly updates to the ATO.

Participating employers will be required to ensure eligible employees will receive, at a minimum, \$1,500 per fortnight, before tax.

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It will be up to the employer if they want to pay superannuation on any additional wage paid because of the Job Keeper Payment.

Further details for businesses for employees will be provided on ato.gov.au.

1.4.b. Businesses without employees

* Businesses without employees, such as the self-employed, can register their interest in applying for Job Keeper Payment via ato.gov.au from 30 March 2020.

- Businesses without employees will need to provide an ABN for their business, nominate an individual to receive the payment and provide that individual's Tax File Number and provide a declaration as to recent business activity.

- People who are self-employed will need to provide a monthly update to the ATO to declare their continued eligibility for the payments. Payment will be made monthly to the individual's bank account.

- Further details for the self-employed will be provided on ato.gov.au.

1.4.c. Employer with employees on different wages

Adam owns a real estate business with two employees. The business is still operating at this stage but Adam expects that turnover will decline by more than 30 per cent in the coming months. The employees are:

- Anne, who is a permanent full-time employee on a salary of \$3,000 per fortnight before tax and who continues working for the business; and
- Nick, who is a permanent part-time employee on a salary of \$1,000 per fortnight before tax and who continues working for the business.

Adam is eligible to receive the Job Keeper Payment for each employee, which would have the following benefits for the business and its employees:

- The business continues to pay Anne her full-time salary of \$3,000 per fortnight before tax, and the business will receive \$1,500 per fortnight from the Job Keeper Payment to subsidise the cost of Anne's salary and will continue paying the superannuation guarantee on Anne's income;

2.0. JOB KEEPER PAYMENT: INFORMATION FOR EMPLOYEES

- Under the Job Keeper Payment, businesses impacted by the Coronavirus will be able to access a wage subsidy from the Government to continue paying their employees. Affected employers will be able to claim a fortnightly payment of \$1,500 per eligible employee from 30 March 2020, for a maximum of 6 months.
- Eligible employees will receive a minimum of \$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 Job Keeper Payments.
- Eligible employees include Australian citizens, 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.
- Full time and part time employees, including stood down employees, would be eligible for the Job Keeper Payment. Where a casual employee has been with their employer for at least the previous 12 months they will also be eligible for the Payment.

Employees will be able to receive this payment in a number of different ways.

- If you ordinarily receive \$1,500 or more in income per fortnight before tax, you will continue to receive your regular income according to the prevailing workplace arrangements. The Job Keeper Payments will subsidise part or all of your income.
- If you ordinarily receive less than \$1,500 in income per fortnight before tax, your employer must pay you, at a minimum, \$1,500 per fortnight, before tax.
- If you have been stood down, your employer must pay you, at a minimum, \$1,500 per fortnight, before tax.
- If you were employed on 1 March 2020, subsequently ceased employment and then were re-engaged by the same eligible employer, you will receive, at a minimum, \$1,500 per fortnight, before tax.

Your employer will notify you if they are claiming the Job Keeper Payment on your behalf

2.1. EMPLOYEE OBLIGATIONS

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Employees will receive a notification from their employer that they are receiving the Job Keeper Payment. The majority of employees will need to do nothing further.

Employees in the following circumstances will have additional obligations.

- Employees that have multiple employers must notify the employer that is their primary employer.
- Employees that are not Australian citizens must notify their employer of their visa status, to allow their employer to determine if they are an eligible employee.
- Employees that are currently in receipt of an income support payment must notify Services Australia of their new income.

Employee who has been stood down and applied for income support

Phoebe works in administration services of a large retail company as a permanent full-time employee, but she has been stood down under the Fair Work Act without pay. Phoebe had registered an intent to claim with Services Australia for access to the Job Seeker Payment and the Coronavirus Supplement. Phoebe is single, with no children and in total she would be eligible to receive \$1,124.50 before tax per fortnight from Services Australia.

Phoebe's employer has decided to apply for the Job Keeper Payment for all its eligible employees for up to six months. This would entitle Phoebe to \$1,500 per fortnight before tax. Phoebe's employer is required to advise her that she has been nominated as an eligible employee to receive the payment.

If Phoebe elects to receive income support through Services Australia, she will need to report her income from the Job Keeper Payment to Services Australia. Phoebe may no longer be eligible for income support from Services Australia as a result of receiving the Job Keeper Payment.