

# JOBKEEPER PAYMENTS

What you need to know

OC Partners

# JobKeeper payment

Economic response to Coronavirus.

## Economic response to Coronavirus

- The Government has announced a \$130 billion JobKeeper 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.
- The payment ensures eligible employers remain connected to their workforce and will help businesses restart quickly when the crisis is over.

## Timeline

- Employers will be able to enrol in JobKeeper from 20 April 2020
  - - An Online form on the ATO website
  - - Must be lodged by end of April
- After the 4th May the employer will notify the ATO of the eligible employees

# JobKeeper payment

Economic response to Coronavirus.



## Key features of the scheme

- If you are a business and have been impacted by the coronavirus (COVID-19), you may be eligible to access the JobKeeper Payments. The scheme will run for a 26-week period from 30 March to 27 September.
- Registration will be available from Monday 20 April.
- Qualifying employers that decide to participate in the JobKeeper scheme must, as a condition of entitlement, notify all employees in writing that they have elected to participate in the scheme and that their eligible employees will all be covered by the scheme.
- Once an employer decides to participate in the JobKeeper scheme and their eligible employees have agreed to be nominated by the employer, the employer must ensure that all of these eligible employees are covered by their participation in the scheme. This includes all eligible employees who are undertaking work for the employer or have been stood down. The employer cannot select which eligible employees will participate in the scheme. This 'one in, all in' rule is a key feature of the scheme.

# JobKeeper payment

Eligibility requirements - employer.



## Eligible employers

- Employers will be eligible for the JobKeeper payment if all of the following apply:
- On 1 March 2020, you carried on a business in Australia or were a not-for-profit organisation that pursued your objectives principally in Australia.
- You employed at least one eligible employee on 1 March 2020.
- Your eligible employees are currently employed by your business for the fortnights you claim for (including those who are stood down or re-hired).
- Your business has faced a
  - 30% fall in turnover (for an aggregated turnover of \$1 billion or less)
  - 50% fall in turnover (for an aggregated turnover of more than \$1 billion), or
  - 15% fall in turnover (for ACNC-registered charities other than universities and schools).

# JobKeeper payment

Measuring fall in turnover.



## How to calculate a fall in turnover for the first fortnight starting 30 March 2020

To work out your fall in turnover, you can compare either:

- GST turnover for month of March 2020 with GST turnover for March 2019
- projected GST turnover for month of April 2020 with GST turnover for April 2019
- projected GST turnover for the quarter starting April 2020 with GST turnover for the quarter starting April 2019.

How you choose to project your fall in turnover is not dependent on whether you report a quarterly or monthly BAS, though you can do that if it is easier.

It is not yet confirmed what reporting basis (cash or accruals) will be required, and whether this will be linked to your activity statement reporting basis.

*Note: If you work out that you qualify for the JobKeeper payments for the first fortnight because your turnover has declined by the relevant amount, you remain eligible and do not need to keep testing turnover in following months.*

# JobKeeper payment

Measuring fall in turnover.



## How to calculate a fall in turnover in future months

If registering in a later month, you will need to ensure you apply the relevant turnover test period.

The turnover test period must be:

- a calendar month that ends after 30 March 2020 and before 1 October 2020; or
- a quarter that starts on 1 April 2020 or 1 July 2020;

The Commissioner of Taxation also has the discretion to set out alternative tests that can establish your eligibility when turnover periods are not appropriately comparable (for example, if your business has been in operation less than a year).

# JobKeeper payment

Eligibility requirements - employees.



## Eligible Employees

- are employed by you (including those stood down or re-hired)
- were either a
  - permanent full-time or part-time employee at 1 March 2020
  - long-term casual employee (employed on a regular and systematic basis for at least 12 months) as at 1 March 2020 and not a permanent employee of any other employer
- were at least 16 years of age on 1 March 2020
- were an Australian resident as at 1 March 2020 within the meaning of the Social Security Act 1991 or Australian tax resident who is a Special Category (Subclass 444) Visa Holder – New Zealand citizens.

*Employees who are not permanent residents of Australia must notify you of their visa status to allow you to determine if they are eligible.*

- were not in receipt of any of these payments during the JobKeeper fortnight
  - government parental leave or Dad and partner pay
  - a payment in accordance with Australian worker compensation law for an individual's total incapacity for work
- agree to be nominated by you.

*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 JobKeeper payment from more than one employer.*

# JobKeeper payment

Eligible business participants.



## Eligible business participants

Sole traders and some other entities (such as partnerships, trusts or companies) may be entitled to the JobKeeper Payment scheme under the business participation entitlement. However, not-for-profit organisations are not included.

Your entity may be eligible for the JobKeeper Payment scheme if you:

- have a non-employee individual who is actively engaged in the operation of the business –the “eligible business participant”
- meet the other relevant eligibility requirements, being:
  - on 1 March 2020, it carried on a business in Australia
  - it satisfies the fall in turnover test for the relevant period
  - it satisfied certain conditions as at 12 March 2020, being:
    - it had an ABN on 12 March 2020, and
    - it had lodged, on or before 12 March 2020, at least one of
      - a 2018–19 income tax return showing that it had an amount included in its assessable income in relation to it carrying on a business, or
      - an activity statement or GST return for any tax period that started after 1 July 2018 and ended before 12 March 2020 showing that it made a taxable, GST-free or input-taxed sale.



# JobKeeper payment

Eligible business participants.



## Eligible business participants

A limit applies of one \$1,500 JobKeeper payment per fortnight for one eligible business participant. If your entity also has employees, you may also be able to claim additional JobKeeper payments of \$1,500 per fortnight per eligible employee.

The entity, not the eligible business participant, receives the JobKeeper payment.

Only one eligible business participant can be nominated. This means that a business entity must choose which eligible business participant to nominate, and the entity is only entitled to one JobKeeper payment per fortnight.

An eligible business participant cannot be an employee (other than a casual employee) of another entity. If the sole trader is both a long term casual employee of another business and also an eligible sole trader, they can choose to either let their employer claim the JobKeeper payments on their behalf, or they can claim as a sole trader, but not both.

You cannot change the nominated person once they have been nominated. If the nominated person later gains employment, they will no longer be eligible.

*Note: You should not use this JobKeeper employee nomination notice if you are intending to claim JobKeeper payments for an eligible business participant for example a partner in a partnership, an adult beneficiary of a trust or a shareholder or director of a company or a sole trader. A different nomination process will be required (yet to be determined).*

# JobKeeper payment


Key considerations and documentation required.

## Key considerations

- Fairwork requirements – National Employment Standards & employment obligations still apply. You will need to continue paying employees in accordance with their employment agreement and relevant award conditions.
- Cashflow – the JobKeeper payment is a reimbursement, the required payment must have already been made to the employee during the relevant fortnight.

## Documentation required

- JobKeeper employee nomination form

 **JobKeeper Employee Nomination Notice**

**When to use the form**

**Employers**

Before you enrol to receive JobKeeper payments, complete section A and provide this form to your eligible employee (refer to criteria below).

This form will be used to:

- notify eligible employees that you (their employer) intend to participate in the JobKeeper scheme
- ask eligible employees if they agree to be nominated by you as their primary employer so that you can receive JobKeeper payments for them.

You do not need to send this form to the ATO. You will, however, need to keep the completed version of this form (generally for 5 years) to document that your employee has agreed to be nominated by you to receive JobKeeper payments for them.

**Employees**

Employers must ensure they comply with any Privacy Act 1988 (Cth) obligations when using this form.

Complete section B, C and D of this form and return this form to your employer as soon as possible.

**Important:**

- If you have not returned this form to your employer, they cannot include you as an eligible employee to receive JobKeeper payments for you.
- If your employer intends to enrol to participate in the JobKeeper scheme for a fortnight beginning on 30 March 2020 or 13 April 2020, you should return this form to your employer before the end of April 2020 to ensure that your employer is eligible to receive JobKeeper payments for those fortnights.

**What is the JobKeeper payment?**

Under the JobKeeper payment, businesses impacted by the Coronavirus are able to access a subsidy from the government to continue paying their employees. Selected employers are able to claim a fortnightly payment of \$1,500 per eligible employee, for one eligible business participant from 30 March 2020, for a maximum period of 6 months.

**Find out more:**  
[ato.gov.au/general/gen-jobkeeper-payment](http://ato.gov.au/general/gen-jobkeeper-payment)

**Taxation law authorises the ATO to collect information and to disclose it to other government agencies. For information about your privacy, go to [ato.gov.au/privacy](http://ato.gov.au/privacy).**

**Section A: Employer to complete**

**Employer details**

1 Employer name

2 Employer Australian business number (ABN)

**Section B: Employee to complete**

**Employee details**

1 Full name

Title: Mr  Ms  Mx  Other

Family name

First given name  Other given name

2 Date of birth

3 Address

Street address

Suburb/town/locality  State/Territory  Postcode

4 Phone

5 Email

**Section C: Nomination**

**Employee eligibility requirements**

To be an eligible employee, you need to meet these requirements:

- You are currently employed by the employer outlined in section A (including those stood down or re-hired).
- You were employed by the employer outlined in section A at 1 March 2020.
- As at 1 March 2020, you were a permanent employee, or a casual employee employed on a regular or systematic basis during the period of 12 months ending on 1 March 2020.
- If you are a casual employee as mentioned above, you are not permanently employed by any other employer, or you are only employed by any other employer on a casual basis.
- You were at least 16 years of age as at 1 March 2020.
- As at 1 March 2020 you were:
  - residing in Australia and an Australian citizen or permanent resident, or
  - an Australian resident for income tax purposes and a Subclass 444 (Special Category) visa holder.
- You are not in receipt of a JobKeeper payment as a sole trader, nor is another employer or eligible business in receipt of a JobKeeper payment for you.
- You are not currently receiving parental leave pay or dad and partner pay, and
- You are not currently totally incapacitated for work and receiving payments under an Australian workers' compensation law in respect of your total incapacity to work.

Yes, I agree to be nominated by the employer outlined in section A for the purpose of the JobKeeper scheme.

In making this nomination I:

- agree that I meet the eligibility requirements listed above, and
- confirm that I have not agreed to be nominated by any other employer/ entity and have not given another entity a nomination form for the purpose of this scheme.

OR

No, I do not agree to be nominated by the employer outlined in section A for the purpose of the JobKeeper scheme.

**Section D: Declaration**

I declare that the information I have provided is true and correct.

Signature (electronic/email is OK)

There are penalties for deliberately making a false or misleading statement.

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# JobKeeper payment

What to pay and when.



## Payment requirements and timeframe

- You need to continue to pay (or re-start paying) your eligible employees at least \$1,500 a fortnight in line with your existing pay cycle through your existing payroll solution.
- Employers who choose to participate will need to pay their eligible employees at least the minimum amount of \$1,500 before tax per fortnight to claim the JobKeeper payment for that fortnight.
- If an employee has been stood down after 1 March 2020, you can start paying them \$1,500 per fortnight to qualify for the JobKeeper payment for that employee.
- If an employee ceased working for you after 1 March 2020, you can re-engage them and pay them at least \$1,500 per fortnight. You will only be eligible to claim for the fortnights after you re-engaged your employee.
- You should pay your employees for each JobKeeper fortnight that you plan to claim for. The first fortnight is from 30 March – 12 April and each JobKeeper fortnight follows after that. You will not be eligible for the JobKeeper payment if you pay your nominated employee less than \$1,500 per fortnight.

# JobKeeper payment

What to pay and when.



## Payment requirements and timeframe

- If your eligible employees earn less than \$1,500 per fortnight before tax, you must pay them at least \$1,500 for each fortnight to claim the JobKeeper payment. The difference is a 'top up' of their salary or wages. New rules are being introduced to not require superannuation guarantee to be paid on any additional payments (AKA the 'top up' amounts) that are made to employees as a result of JobKeeper payments.
- For the first two fortnights (30 March – 12 April, 13 April – 26 April), the ATO will accept the minimum \$1,500 payment for each fortnight has been paid by you even if it has been paid late, provided it is paid by you by the end of April (or at least 26 April\*) . This means that you have until the end of April (or at least 26 April\*) to make any 'top up' payments required for these first two fortnights.

*\*Originally announced as end of April, we anticipate this will be brought forward to 26 April to ensure it falls in the second JobKeeper fortnight.*

# JobKeeper payment

JobKeeper fortnights.



## JobKeeper fortnights

- Fortnights have been defined explicitly but you do not need to change your pay cycle.
  - This period is merely for the purpose of testing payment made within each JobKeeper fortnight. If your pay cycle is greater than fortnightly (i.e. monthly), you will be required to attribute the payment to the relevant fortnight in your monthly reporting (yet to be determined).
- The first fortnight is from 30 March – 12 April and each JobKeeper fortnight follows after that.
- The scheme will run for a 26-week period from 30 March to 27 September. Registration will be available from Monday 20 April.
- We are currently in the second fortnight being 13 April to 26 April.

*Note: You can choose to enrol and commence your participation in the scheme from a later fortnight. Businesses choosing to participate from a later fortnight must be eligible and enrolled prior to the fortnight they wish to start participating. Only fortnights one and two will be granted retrospectively.*

# JobKeeper payment

How to enrol.



## How to enrol for the JobKeeper payment (from 20 April onwards)

1. Register your interest and subscribe for JobKeeper payment updates.
2. Check you and your employees meet the eligibility requirements.
3. Notify your eligible employees that you are intending to claim the JobKeeper payment on their behalf and check they aren't claiming JobKeeper payment through another employer or have nominated through another business.
4. Send the JobKeeper employee nomination notice to your nominated employees to complete and return to you by the end of April if you plan to claim JobKeeper payment for April. Keep it on file and provide a copy to your registered tax agent if you are using one.
5. Continue to pay at least \$1,500 to each eligible employee per JobKeeper fortnight (the first JobKeeper fortnight is the period from 30 March to 12 April), including any top-up if required.
6. From 20 April 2020, you can enrol with us for the JobKeeper payment using the Business Portal and authenticate with myGovID. You must do this by the end of April to claim JobKeeper payments for April.
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.
8. Specify the estimated number of employees who will be eligible for the first JobKeeper fortnight (30 March – 12 April) and the second JobKeeper fortnight (13 April – 26 April).

# JobKeeper payment

Reporting requirements.



## How you will claim JobKeeper payment

- Apply to claim the JobKeeper payment by logging in to the ATO Business Portal
- Ensure you have paid each eligible employee a minimum of \$1,500 per JobKeeper fortnight before tax.
- 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 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.
- Submit the confirmation of your eligible employees online and wait for your confirmation email or SMS showing it has been received.
- Notify your eligible employees you have nominated them.
- The ATO will pay you the JobKeeper payment for all eligible employees after receiving your application.
- 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 JobKeeper 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 JobKeeper Declaration report.
- If your eligible employees change or leave your employment, you will need to notify us through your monthly JobKeeper Declaration report.
- If you use the ATO Business Portal, you will need a myGovID linked to your ABN in relationship Authorisation Manager (RAM). You can find out how to set this up at [ato.gov.au/mygovid](https://ato.gov.au/mygovid)

# JobKeeper payment

myGovID: How to get setup and link your myGovID to a business.



## How do I get set up?

Download the myGovID app, enter your details, and add your identity documents.

- Download the myGovID app Available on the App Store or Google Play
- Enter your details: Open the myGovID app and follow the prompts. You will need to enter your full name, date of birth and email address.
- Add your identity documents You'll need two of the following Australian identity documents (your name must match in each):
  - driver's licence or learner's permit
  - passport
  - birth certificate
  - Medicare card.



# JobKeeper payment

myGovID: How to get setup and link your myGovID to a business.

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## Link your myGovID to a business

To use myGovID with participating government online services, you need to link your myGovID to a business in Relationship Authorisation Manager (RAM).

The primary person for the business (i.e. a sole trader or company director) will need to link your myGovID to your Australian Business Number (ABN) in RAM first. You can then set up authorisations in RAM for other team members (such as employees) and issue invitations for them to access online services for your business. You will require the name and email address those users recorded on their personal myGovID as they will use their individual myGovID to log into RAM to accept the authorisation request.

If you trade through a trust, you may not see your business ABN available to you to link in RAM. If this occurs, you will need to contact the ATO using the support details below (1300 287 539, option 3) and quote your Trustee's ABN or ACN.

They will use this to confirm that you are an authorised and manually link the Trust ABN for you. You can then proceed to add additional users through RAM as required as per the instructions above.

- ATO support:
  - for myGovID, call 1300 287 539 (option 2) 8am–6pm Mon–Fri
  - for Relationship Authorisation Manager (RAM), call 1300 287 539 (option 3) 8am–6pm Mon-Fri and 10am–4pm Sat
  - For more information, refer to: <https://www.mygovid.gov.au/how-do-i-get-set-up>

*for more information contact us on  
(03) 9738 7500 or [info@ocpartners.com.au](mailto:info@ocpartners.com.au)*

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