



JobKeeper Payment — Information for employers

EMPLOYER OBLIGATIONS

To receive the JobKeeper Payment, employers must:

- Apply at ato.gov.au and assess that they have or will likely **experience the required turnover decline**.
- **Provide information to the ATO on all eligible employees.** This includes information on the eligible employees engaged as at 1 March 2020 and those currently employed by the business or not-for-profit (including those stood down or re-hired). For most businesses or not-for-profits, the ATO will use Single Touch Payroll data to pre-populate the employee details for the business or not-for-profit.
- **Ensure that each eligible employee receives at least \$1,500 per fortnight (before tax).** Employees who receive \$1,500 per fortnight or more from their employer will continue to receive their regular income according to their prevailing workplace arrangements. For employees that have been receiving less than this amount, the employer will now need to pay them, at a minimum, \$1,500 per fortnight before tax.
- Notify all **eligible employees that they are receiving the JobKeeper Payment.**
- Continue to provide information to the ATO on a monthly basis, including the number of eligible employees employed by the business.

BACKGROUND ON JOBKEEPER PAYMENT FOR EMPLOYERS

Under the JobKeeper Payment, businesses or not-for-profits impacted by the Coronavirus will be able to access a subsidy from the Government to continue paying their employees. Affected employers will be able to claim a payment of \$1,500 per fortnight per eligible employee from 30 March 2020, for a maximum period of 6 months.

Eligible employers

Employers (including not-for-profits) will be eligible for the subsidy if:

- their business has an annual turnover of less than \$1 billion and they estimate their turnover has or will likely fall by 30 per cent or more; or
- their business has an annual turnover of \$1 billion or more (or is part of a consolidated group for income tax purposes with turnover of \$1 billion or more) and they estimate their turnover has or will likely fall by 50 per cent or more; and
- their business is not subject to the Major Bank Levy.

Self-employed individuals (businesses without employees) will be eligible to receive the JobKeeper Payment where they meet the relevant turnover test outlined above.

For charities registered with the Australian Charities and Not-For-Profit Commission (ACNC), they will be eligible for the subsidy if they estimate their turnover has or will likely fall by 15 per cent or more relative to a comparable period.

The Australian government and its agencies, State and Territory governments and their agencies, foreign governments and their agencies, local governments and wholly-owned corporations of these bodies are not eligible for the JobKeeper payment. Non-government schools and private vocational education providers are eligible.

To establish that a business or not-for-profit has, or is likely to, face the relevant fall in their turnover, most would be expected to establish that their turnover has or will likely fall in the relevant month or quarter

(depending on their Business Activity Statement reporting period) relative to their turnover in a corresponding period a year earlier. Turnover is calculated as it is 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.

Where a business or not-for-profit 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 or not-for-profit can provide to establish that they have been significantly affected by the impacts of the Coronavirus. The payment cannot be paid to businesses that are in liquidation.

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 has ceased or significantly curtails its operations). There will be some tolerance where employers, in good faith, estimate a 30 per cent or more or 50 per cent or more fall in turnover but actually experience a slightly smaller fall.

If a business is part of a consolidated group for income tax purposes, with a turnover of \$1 billion or more, the 50 per cent or more turnover test will apply to each business in that consolidated group that business. If the consolidated group has turnover of less than \$1 billion, the 30 per cent or more turnover test is applied to each business in that consolidated group. Individual businesses within a consolidated group may be eligible for the JobKeeper payment while other businesses in the group may not be eligible.

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 the JobKeeper Payments.

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 and systemic basis for longer than 12 months as at 1 March 2020);
- are at least 16 years of age at 1 March 2020;
- are an Australian citizen, the holder of a permanent visa, or a Special Category (Subclass 444) Visa Holder at 1 March 2020;
- were a resident for Australian tax purposes on 1 March 2020; and
- are not in receipt of a JobKeeper Payment from another employer.

Employees receiving Parental Leave Pay from Services Australia are not eligible for the JobKeeper Payment. However, employees on parental leave from their employer will be eligible. Employees receiving workers compensation will be eligible for the JobKeeper Payment if they are working, for example on reduced hours, but will generally not be eligible if they are not working.

If your employees receive the JobKeeper Payment, this may affect their eligibility for income support payments and they must report their change in circumstances to Services Australia online at my.gov.au or by telephone.

APPLICATION PROCESS

Businesses with employees

Initially, employers can register their interest in applying for the JobKeeper 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 JobKeeper Payments and must provide monthly updates to the ATO. An employer that elects to participate is required to include all eligible employees in the scheme.

Participating employers will be required to ensure eligible employees receive, at a minimum, \$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 the JobKeeper Payment.

Further details for businesses or not-for-profits with employees will be provided at ato.gov.au.

Businesses without employees

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

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

The payment will be made monthly to that person's bank account.

Further details for the self-employed are see the *Support for Sole Traders* factsheet.

Employer with employees on different wages

Adam owns a real estate business with two employees. The business is still operating but Adam expects that turnover will decline by more than 30 per cent in 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 JobKeeper 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 JobKeeper Payment to subsidise the cost of Anne's salary and will continue paying the superannuation guarantee on Anne's income;
- The business continues to pay Nick his part-time salary of \$1,000 per fortnight before tax and an additional \$500 per fortnight before tax, totalling \$1,500 per fortnight before tax. The business receives \$1,500 per fortnight from the JobKeeper Payment which will subsidise the full cost of Nick's salary. The business must continue to pay the superannuation guarantee on the \$1,000 per fortnight that Nick is earning. The business has the option of choosing to pay the superannuation guarantee on the additional \$500 (before tax) paid to Nick under the JobKeeper Payment.

Adam can register his initial interest in the scheme from 30 March 2020, followed subsequently by an application to ATO with details about his eligible employees. In addition, Adam is required to advise his employees that he has nominated them as eligible employees to receive the payment. Adam will provide information to the ATO on a monthly basis and receive the payment monthly in arrears.

Employer with employees who have been stood down without pay

Zahrah runs a beauty salon in Melbourne. Ordinarily, she employs three permanent part-time employees, but due to the Coronavirus she has temporarily closed her doors as a business and has stood down her three employees without pay.

Zahrah's turnover will decline by more than 30 per cent, so she is eligible to apply for the JobKeeper Payment for each employee. She will receive \$1,500 per fortnight for each of her three employees for up to six months and she is required to have passed on those payments to her employees. Zahrah will maintain the connection to her employees, and be in a position to quickly resume her operations.

Zahrah is required to advise her employees that she has nominated them as eligible employees to receive the payment. It is up to Zahrah whether she wants to pay superannuation on the additional income paid because of the JobKeeper Payment.

If Zahrah's employees have already started receiving income support payments like the JobSeeker Payment, when they receive the JobKeeper Payment they must advise Services Australia of their change in circumstances online at my.gov.au or by telephone.



JobKeeper Payment: Supporting businesses to retain jobs

The Government is introducing a wage subsidy program to support employees and businesses. The JobKeeper Payment is designed to help businesses affected by the Coronavirus to cover the costs of their employees' wages, so that more employees can retain their job and continue to earn an income.

Keeping Australians in work and businesses in business will lay the foundations for a stronger economic recovery once the Coronavirus crisis passes.

JOBKEEPER PAYMENT

Summary

The economic impacts of the Coronavirus pose significant challenges for many businesses — many of which are struggling to retain their employees.

Under the JobKeeper Payment, businesses and not-for-profits significantly impacted by the Coronavirus outbreak will be able to access a wage subsidy from the Government to continue paying their employees. This assistance will help businesses to keep people in their jobs and re-start when the crisis is over. For employees, this means they can keep their job and earn an income.

The JobKeeper Payment is a temporary scheme open to businesses impacted by the Coronavirus. The JobKeeper Payment will also be available to the self-employed.

The Government will provide \$1,500 per fortnight per employee for up to 6 months.

The JobKeeper Payment will support employers to maintain their connection to their employees. These connections will enable business to reactivate their operations quickly — without having to rehire staff — when the crisis is over.

Eligibility

Employers (including not-for-profits) will be eligible for the subsidy if, at the time of applying:

- their business has an annual turnover of less than \$1 billion and they estimate their turnover has fallen or will likely fall by 30 per cent or more; or
- their business has an annual turnover of \$1 billion or more (or is part of a consolidated group for income tax purposes with turnover of \$1 billion or more) and they estimate their turnover has fallen or will likely fall by 50 per cent or more; and
- their business is not subject to the Major Bank Levy.

Self-employed individuals will be eligible to receive the JobKeeper Payment where they meet the relevant turnover test outlined above.

For charities registered with the Australian Charities and Not-For-Profit Commission (ACNC), they will be eligible for the subsidy if they estimate their turnover has or will likely fall by 15 per cent or more relative to a comparable period.

The Australian Government and its agencies, State and Territory governments and their agencies, foreign governments and their agencies, local governments and wholly-owned corporations of these bodies are not eligible for the JobKeeper payment. Non-government schools and private vocational education providers are eligible.

To establish that a business or not-for profit has faced or is likely to face the relevant fall in turnover, most would be expected to establish that their turnover has or will likely fall in the relevant month or quarter (depending on their Business Activity Statement reporting period) relative to their turnover in a corresponding period a year earlier. Turnover is calculated as it is 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.

Where a business or not-for-profit was not in operation a year earlier, or where their turnover a year earlier was not representative of their usual or average turnover, (for example, 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 or not-for-profit can provide to establish that they have been adversely affected by the impacts of the Coronavirus. Businesses that are in liquidation are not eligible for this payment.

The Tax Commissioner will also have discretion to set out alternative tests that would establish eligibility in specific circumstances (for example, 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 per cent or more or 50 per cent or more fall in turnover but actually experience a slightly smaller fall.

If a business is part of a consolidated group for income tax purposes, with a turnover of more than \$1 billion, the 50 per cent or more turnover test will apply to each business in that consolidated group. If the consolidated group has turnover of less than \$1 billion, the 30 per cent or more turnover test is applied to each business in that consolidated group. Individual businesses within a consolidated group may be eligible for the JobKeeper payment while other businesses in the group may not be eligible.

Employers must elect to participate in the scheme. They will need to make an application to the Australian Taxation Office (ATO) and provide supporting information demonstrating a downturn in their business.

Eligible employers will receive the payment for each eligible employee that was on their books on 1 March 2020 and continues to be engaged by that employer — including full-time, part-time, long-term casuals and stood down employees. Casual employees eligible for the JobKeeper Payment are those employees who have been with their employer on a regular and systematic basis for at least the previous 12 months as at 1 March 2020. To be eligible, an employee must be an Australian citizen, the holder of a permanent visa, or a Special Category (Subclass 444) Visa Holder as at 1 March 2020. The employee must also be a resident for Australian tax purposes on 1 March 2020.

Employees receiving Parental Leave Pay from Services Australia are not eligible for the JobKeeper Payment. However, employees on parental leave from their employer will be eligible. Employees receiving workers compensation will be eligible for the JobKeeper Payment if they are working, for example on reduced hours, but will generally not be eligible if they are not working.

Eligible employers who have stood down their employees before the commencement of this scheme will be able to participate. Employees that are re-engaged by a business that was their employer on 1 March 2020 will be eligible.

Where an employee is accessing support through Services Australia and the employer will be eligible for the JobKeeper Payment, the employee should advise Services Australia of their change in circumstances online at my.gov.au or by telephone.

Payment process

Eligible employers will be paid \$1,500 per fortnight per eligible employee. Eligible employees will receive, at a minimum, \$1,500 per fortnight, before tax, and employers are able to top-up the payment.

Where employers participate in the scheme, their employees will receive this payment as follows.

- If an employee receives \$1,500 or more in income per fortnight before tax, they will continue to receive their regular income according to their prevailing workplace arrangements. The JobKeeper Payment will assist their employer to continue operating by subsidising all or part of the income of their employee.

- If an employee would otherwise receive less than \$1,500 in income per fortnight before tax, their employer must pay their employee, at a minimum, \$1,500 per fortnight before tax.
- If an employee has been stood down, their employer must pay their employee, at a minimum, \$1,500 per fortnight before tax.

No superannuation guarantee payments are required to be paid on any additional payment made because of the JobKeeper Payment.

Payments will be made to the employer monthly in arrears by the ATO.

Timing

The subsidy will start on 30 March 2020, with the first payments to be received by employers in the first week of May. Businesses will be able to register their interest in participating in the Payment from 30 March 2020 at ato.gov.au.

Budget impact

This measure is expected to cost \$130 billion across 2019-20 and 2020-21.

Self-employed

Melissa is a sole trader running a florist. She does not have employees. Melissa's business has been in operation for several years. The Coronavirus has adversely affected Melissa's business, and she expects that her business turnover will fall by more than 30 per cent compared to a typical month in 2019.

Melissa will be able to apply for the JobKeeper Payment and is able to receive \$1,500 per fortnight before tax, paid on a monthly basis.

Worker with multiple jobs

Michelle currently works two permanent part-time jobs, earning \$1,000 a fortnight at an art gallery during weekdays, and \$1,000 a fortnight at the local café on the weekend. The gallery has recently closed and Michelle has been stood down without pay under the Fair Work Act. Michelle continues to work at the café delivering take-away orders.

Michelle can only receive the JobKeeper Payment from the employer she nominates as her primary employer. As Michelle only claims the tax free threshold from her job at the art gallery, this will be treated as her nomination of the art gallery as her primary employer.

The art gallery is eligible for the JobKeeper Payment. The art gallery will pass the JobKeeper Payment on to Michelle, so she will receive \$1,500 per fortnight before tax. During the application process, the art gallery will notify the ATO that Michelle receives the payment from them. The art gallery is also required to advise Michelle that she has been nominated to the ATO as an eligible employee to receive the payment.

The café is not eligible to receive the JobKeeper Payment for Michelle. The \$1,000 a fortnight that Michelle receives from her job at the café does not change her entitlement to the JobKeeper Payment she receives from the art gallery.

Employee made redundant after 1 March and later rehired by same business

Miles worked as a permanent part-time personal trainer at a gym for six months earning \$1,200 a fortnight and was made redundant on 20 March 2020.

In response to the announcement of the JobKeeper Payment, the gym re-engages Miles so they are well placed to resume their operations once the Coronavirus restrictions are lifted.

Under the JobKeeper Payment he will receive \$1,500 a fortnight before tax. Miles will need to advise Services Australia of his income. He is no longer eligible for the JobSeeker Payment and the Coronavirus Supplement from Services Australia as a result of receiving the JobKeeper Payment.

Employer with 5 employees who all currently get paid more than \$1,500 per fortnight

Sara runs a landscaping company, and employs five full-time gardeners. Sara is paying her employees \$1,700 per fortnight before tax. She expects that her turnover will decline by more than 30 per cent over the coming months and that she will either need to lay staff off, or reduce their hours significantly.

As a result of the JobKeeper Payment, Sara is able to keep employing every gardener at \$1,700 per fortnight, with the JobKeeper Payment subsidising these wage costs by \$1,500 per fortnight.