

Let's chat...

JobKeeper Payments – 30/03/2020

With:

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Information provided is general in nature; precise application depends on specific circumstances

Purpose

- Scheme intended to help businesses 'keep' employees during the current downturn in business.
- Employees can keep their job and still earn an income, even if hours have been cut.
- **Employers and employees can maintain their connection, so staff are not required to be re-hired.**
- Even eligible for self-employed and casual employees.
- \$1,500 per fortnight payment per employee for businesses, for up to 6 months

Eligibility - employers

- Employers (including non-for profits):
 - Business has a turnover of less than \$1 billion and their turnover will be reduced by more than 30% relative to a comparable period a year ago (of at least a month); or
 - Business has a turnover of \$1 billion or more and their turnover will be reduced by more than 50% relative to a comparable period a year ago; and
 - Business is not subject to the 'Major Bank Levy'.
- Employers elect to participate the scheme → This can be done via the Australian Taxation Office and providing supporting information demonstrating a downturn in their business.
- Employers must report number of eligible employees.

Eligibility - employees

- Eligible employees include any employee (full time or part time) that was on the books of the business on 1 March 2020 and continues to be engaged by the employer
- Casual employees also included provided they worked on a regular basis for at least 12 months with the business
- Employees who were stood down prior to the commencement of the scheme also eligible.
- Employees re-engaged by a business that was their employer on 1 March 2020 also eligible
- Self-employed individuals will be eligible as well where they have suffered or expect to suffer a 30% decline in turnover relative to a comparable prior period (of at least a month)
- Employees can only claim via one employer

Payment

- Eligible employers paid \$1500 per fortnight per eligible employee
- Expected \$1500 paid to each employee and employers have the discretion to add 'top-up' payment (including any associate superannuation with the 'top-up' payment)
- Payments will be made to the employer monthly in arrears by the ATO
- I.e. payments will be made by the ATO for the month just gone, not the upcoming month
- Therefore, first payments will be received by employers in the first week of May (for employee wages in April)

Employee situations

- Where an employee normally receives more than \$1500 per fortnight before tax, then it is up to the employer to pay the difference or work out contractual obligations pursuant to prevailing workplace arrangements
- Where an employee ordinarily receives less than \$1500 per fortnight before tax, then the employer must pay the employee at least the \$1500 per fortnight before tax received
- Where an employee has been stood down, then the employer must pay the employee at least the \$1500 per fortnight before tax received
- Where an employee was employed on 1 March 2020, unemployed and then re-engaged by the same employer, then the employee will receive at least the \$1500 per fortnight before tax received

Other

- JobKeeper or JobSeeker, but not both
- Employees will probably want to be on JobKeeper (higher payment and not subject to any income or spouse income test)
- Suggested this will be on a self-assessment basis
- Administered through data with the ATO

Contact details

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