

# How to Pay Employees JobKeeper

The employee should be paid through your normal payroll process and software.

All payments received by the employee through this time (including the JobKeeper topup) are to be included in the end of year Income Statements of all employees.

The payments are subject to PAYGW tax being withheld from the payment.

## Hours of Work

If the employer requires the employee to work as part of the requirement and due to support of the JK scheme, then the hourly rate cannot be less than their previous hourly rate. Accordingly if the \$1500 per fortnight is in excess of normal pay then they work their normal hours and be paid the \$1500 flat rate.

If the \$1500 per fortnight is less than their normal earning per fortnight, then they can be required to work for the number of hours that equates to \$1500 per fortnight pay.

## Superannuation Guarantee (SG)

- SG applies to those payments to the employees for the work that they were continuing to do for the employer, irrespective of the JK scheme. EG If they were working \$300 then SG would apply to the \$300. EG If they were working \$4500 then SG applies to the \$4500
- SG does not have to apply to the JK topup amounts: If the employee would have been paid the \$300 but is now being topped up by JK by an additional \$1200, the employer does not have to pay SG on the topup \$1200. The employer may elect to pay SG on the full amount.
- If the employee would not have been working except for the support of the JK scheme, then even if they are working, SG does not have to apply to the payment to the employee of the \$1500. If they are paid more than \$1500 then SG applies to the extra amounts.

## Leave Accruals

(ICB expectation – pending any Government formal proclamation)

- a) We expect the requirement will be that if the employee is working then leave accrues
- b) If the employee is working for say \$300 and being topped up because of JK to \$1500 we expect the leave will be accrued on the \$300 that is for the time worked.
- c) We expect that if they are not working but receiving payments because of JK then leave would not accrue

## Workers Compensation

(ICB expectation – pending any Government formal proclamation)

- a) We expect the requirement will be that if the employee is working then workers compensation applies
- b) If the employee is working for say \$300 and being topped up because of JK to \$1500 we expect the workers compensation will be applied on the \$300 that is for the time worked.
- c) We expect that if they are not working but receiving payments because of JK then workers compensation would not apply

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## Payroll Software SetUp

**\*\*New information\*\***

### **JobKeeper topup payments are to be reported in a new Allowance**

The amount of payment to the employee that is

- a) the “topup” to bring their payment upto the \$1500 or
- b) if their whole payment is only because of JK

It is to be classified in the payroll system as an “Allowance” which will be reported to the ATO as a special classification and reported through STP.

The ATO are seeking to have the **extra** payment amounts due to JK traced through STP reporting.

Due to the difference in Accrual of Leave treatments we can foresee a number of allowances may be required

1. Taxable, No SG, No Leave, No WkC
2. Taxable, SG, No leave, No WKC
3. Taxable, SG, Leave, Wkc

Typically if the employee is not working, the Allowance is #1 Taxable, No SG, No Leave, No WkC

- a) Taxable: it is to be included in the Gross for calculation of the PAYG to be withheld.
- b) SG: Does not have to have SG accrued on the Allowance (unless the employer chooses to)
- c) Would not have leave accrued on it (subject to further Government proclamation)

The Allowance **must** be set up as

- “Other” Allowance type category
- Description “JOBKEEPER-TOPUP”

The software will report the YTD value of this allowance to the ATO through STP.

### **Scenario 1 – Employee not working and being paid \$1500 because of JobKeeper**

All paid as JobKeeper Topup Allowance

### **Scenario 2 – Employee working because of JobKeeper support.**

Either

- Pay the time worked to normal categories and any topup amount to the JobKeeper Topup Allowance, or
- Pay the whole amount to the JobKeeper Topup Allowance (not preferred)

### **Scenario 3 – Employee receiving more than \$1500 pay from employer due to working**

All paid as normal pay. No JobKeeper Topup Allowance