



## **URGENT - JobKeeper –Action Required to be Eligible**

**17 April 2020**

**Great News! Enrolment for JobKeeper open Monday 20 April 2020, and you must lodge by 26 April 2020 to claim the first 2 fortnightly instalments payable in early May.**

Firstly, if you haven't already, ensure that you are registered to receive updates on JobKeeper from the ATO here: <https://www.ato.gov.au/Job-keeper-payment/>

### **What Link is doing for payroll processing clients?**

If Link processes your payroll, we have already sent you an email with detailed instructions. Please look out for this email from your bookkeeper. Please continue to read this email as it provides essential information which you need to be aware of and actions which you must take ASAP.

### **What is Link doing for clients who process their own payroll?**

If you process your own payroll, here are the steps you must action immediately. As a Link client, we encourage you to reach out to us if you require any assistance in relation to JobKeeper or any other government stimulus. Please action all the items you can ASAP so we may help you finalise any steps as necessary.

### **ATO Guidance**

The ATO website is a good source of detailed information around JobKeeper for both employers and sole traders without employees. <https://www.ato.gov.au/General/JobKeeper-Payment/>

### **Summary of JobKeeper**

To be eligible, you must;

- Be operating a business as at 1st March 2020
- Have had, or reasonably estimate, that your sales show a decline of at least 30% compared to the same time last year. The test period may be March 2020 to March 2019, April 2020 to April 2019, June quarter 2020 (projected) to June quarter 2019.
- Be an employer of eligible employees (being employed as at 1st March 2020, be at least 16 years old at that date, be an Australian citizen, permanent resident or hold a 444 class visa)
- Notify the ATO (via the website [here](#) from 20th April 2020, noting that the enrolment form needs to be done by 26th April 2020) that you wish to participate in the JobKeeper scheme

- Notify an eligible employee that you have made an application to the ATO that the employee is part of your JobKeeper scheme (note: the employee must also notify you that they are eligible employees and agree to be included in your JobKeeper scheme)
- Ensure that your eligible employees have been paid at least \$1,500 per fortnight from 30 March 2020 (and therefore any back payments are processed by the end of April 2020)
- Lodge application form with the ATO confirming your eligible employees for which you will claim JobKeeper Payments for (**available from 4th May 2020 onwards – lodged via the ATO Business Portal or your tax agent**) This is when the payments will flow from the ATO.
- Each month, you will need to reconfirm that your reported eligible employees have not changed through via the ATO Business Portal or tax agent
- Notify the ATO within 7 days of the end of each month your current turnover for the month and projected turnover for the following month.

## **Urgent Action Required by All Employers Wanting to Claim Jobkeeper**

- Determine if your business satisfies the 30% decline in revenue test
- Determine which of your employees are eligible
- Make sure you have paid eligible employees at least \$1,500 per fortnight (before tax) from 30 March 2020.
- Enroll with the ATO by 26 April 2020 (Enrolments open 20 April 2020)
- Sign up to the Business Portal using your MyGovID to be able to submit your monthly reports <https://www.mygovid.gov.au/how-do-i-get-set-up>

The ATO has a step by step guide for employers to enrol and then claim JobKeeper payments [here](#)

## **Detail Around Decline in Revenue Test**

The basic turnover test measures turnover to a corresponding period last year. You need to show at least a 30% decline to be eligible for JobKeeper. **Satisfying this condition is critical, so if you need assistance in this area, you should reach out to us ASAP.**

GST turnover is used for this test. GST Turnover is defined as the value of the supplies made during the period (ie what you have sold/delivered). Note that it is irrelevant whether you account for GST on a cash basis, GST turnover is essentially your turnover on an accruals basis (what has been invoiced, not necessarily what has been received).

The test period can be a month or a quarter of your choosing. It is not relevant whether you report GST monthly or quarterly.



Initially, you can test these periods to determine your eligibility;

- Month of March 2020 to March 2019
- Month of April 2020 (Projected) to April 2019
- June quarter 2020 (Projected) to June quarter 2019

Once you satisfy the test, you are not required to continually satisfy the test to remain eligible.

If you don't satisfy the decline in revenue test initially, you can continue to retest each month (or the September 2020 quarter) and then claim as soon as your revenue has dropped sufficiently. You will then be eligible for that month onwards.

The ATO is also developing **alternative tests** where it is not appropriate to look at the corresponding period last year (for example, in a new or high growth business). Details are yet to be released on this. We expect it to be a common sense approach, so if you are experiencing a decline compared to prior months, you should be able to satisfy the test.

The ATO has also confirmed that there will be a tolerance where a business does not quite meet the 30% test, but has made a good faith attempt in determining its eligibility. The exact tolerance is not known. It will be essential to have workings and proof of how you arrived at your % decline in case the ATO reviews your application in future.

### **Detail Around Eligible Employees**

An employer is only entitled to a JobKeeper payment for an eligible employee. **Satisfying employee eligibility is critical, so if you need assistance in this area, you should reach out to us ASAP.**

An eligible employee is a person that was, on 1st March, 2020:

- Aged 16 years of age or over,
- On the employer's books, and continues to be engaged by the employer – including fulltime, part-time, long-term casuals and stood down employees. Casual employees eligible for JobKeeper are those who have been with the employer for at least 12 months AND which have worked regular and systemic hours with the employer over that time.
- an Australian citizen, 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
- Not in receipt of Paid Parental Leave or Workcover

An eligible employee can only be nominated by one employer. Where an employee has multiple employers, only one employer will be eligible to receive the payment. The employee will need to notify their employer of their eligibility to claim the JobKeeper payment on their behalf.

Casual employees cannot nominate with an employer if they were permanently employed (either full time or part time) by another employer.

Note that all eligible employees are required to participate if the employer is applying for JobKeeper.

**After you have worked out you and your employees are eligible**

If you meet the eligibility criteria and want to start claiming the JobKeeper payment on behalf of your employees, you need to start paying them at least \$1,500 per fortnight (before tax) and continue to pay them for as long as you keep claiming. If you have not paid them at least \$1,500 per fortnight for the month of April, then you must process a back payment in April to be eligible for the payment.

You cannot claim the JobKeeper payment on behalf of employees who were not paid at least \$1,500 before tax during each JobKeeper payment period.

**Processing Payroll**

It is essential that your payroll software be correctly configured in order to trigger JobKeeper payments appropriately. If you are unsure of what needs to be done, please reach out to us so we can assist.

Instructions for notifying the ATO of JobKeeper eligibility through your payroll software are [here](#)

Instructions for the ongoing payroll processing during JobKeeper are [here](#)

It is essential that eligible employees are paid at least \$1,500 per fortnight (before tax) for you to be eligible to receive the JobKeeper payment from the ATO.

**Payment Process**

The fortnight beginning on 30 March 2020, and each subsequent fortnight, ending with the fortnight ending on 27 September 2020, is a JobKeeper fortnight. There are 13 JobKeeper fortnights. Employers will be paid \$1,500 per fortnight per eligible employee.

The ATO will be making payments to employer bank accounts after each monthly declaration as follows;

<b>Payroll Month</b>	<b>ATO Payment date</b>	<b>Payment per Eligible Employee</b>
April 2020	By 14 <sup>th</sup> of May	\$3,000
May 2020	By 14 <sup>th</sup> of June	\$3,000
June 2020	By 14 <sup>th</sup> of July	\$3,000
July 2020	By 14 <sup>th</sup> of August	\$3,000
August 2020	By 14 <sup>th</sup> of September	\$4,500
September 2020	By 14 <sup>th</sup> of October	\$3,000

**MyGovID**

If reporting to the ATO yourself (not through your tax agent) you will require access to the ATO Business Portal using a MyGovID. In any case, we recommend that you get a MyGovID to access your business records with the ATO here: <https://www.mygovid.gov.au/how-do-i-get-set-up>

### **Employees who were stood down or on long term leave**

Employees who have been stood down from work under the Fair Work Act without pay may still be eligible employees as long as they were in your employment and met the eligibility criteria on 1 March 2020.

You will need to have paid them at least the minimum amount of \$1,500 for each fortnight you claim in order to receive the JobKeeper payment.

No superannuation is payable for employees who are stood down (ie not working) and receiving JobKeeper.

### **Employees who have been terminated**

If you terminated an employee after 1 March 2020, you can re-engage them, and they will be eligible if they met the eligibility criteria on 1 March 2020.

If you want to claim the JobKeeper payment for employees you have re-engaged, you will need to:

- confirm they want to be re-hired and participate in the JobKeeper scheme with you
- re-engage the employees you want to claim for
- start paying them a minimum of \$1,500 (before tax) for each fortnight they are employed, and you claim for.

You will only be paid a JobKeeper payment for employees from the fortnight they were re-engaged. You cannot claim retrospectively for employees you re-engage.

### **Self Employed Business Owners (No Payroll)**

If you are self-employed, either through a sole trader business, a partnership, a company or a trust, you will also be eligible to receive the JobKeeper Payment where you have suffered or expect to suffer decline in turnover relative to a comparable a period a year ago, similar to the requirements for an employer.

The individual for whom a business is entitled to the JobKeeper payment must be an individual that is an eligible business participant. An individual is an eligible business participant where the individual is not employed by the business at any time in the fortnight because the individual is the owner of the business.

Eligible business participants are, for a:

- sole trader – the individual sole trader
- partnership – an individual partner
- trust – an adult beneficiary of the trust
- company – either a director or individual shareholder



A partnership, trust and company can only **nominate one individual** as the eligible business participant, and the individual must be actively engaged in the business carried on by the entity.

The reporting requirements for self employed business owners are yet to be released. **You should enrol for JobKeeper on 20 April 2020 and await further details.**