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GUIDANCE ON THE APPLICATION PROCESS FOR THE JOBKEEPER PAYMENT FOR EMPLOYERS

To be eligible for the JobKeeper payment, employers and their employees must meet a range of criteria. Employers will need to pay eligible employees a minimum of \$1,500 (before tax) per fortnight to claim the JobKeeper payment.

The first payment (paid in arrears) to eligible employers will commence in the first week of May 2020. JobKeeper payments can be made for the period beginning 30 March 2020.

If employers do not continue to pay their employees a **minimum of \$1,500 per fortnight**, they will cease to qualify for the JobKeeper payment.

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)

You will be able to enrol in the JobKeeper scheme from **20 April 2020** using an online form via the ATO Business Portal. After you enrol, you will later identify your specific eligible employees and submit the information to the ATO.

SOLE TRADERS

Sole traders can be eligible for the JobKeeper payment if their business has experienced a downturn according to the eligibility criteria. The ATO will provide more information soon about the eligibility of sole traders for the JobKeeper payment.

BUSINESS OWNERS ACTIVELY ENGAGED IN THEIR BUSINESS

Other businesses in the form of a company, trust or partnership can also qualify for JobKeeper payments where a business owner (a shareholder, adult beneficiary or partner) is actively engaged in the business, or a director is actively engaged in the business. This is limited to one entitlement for each entity even if there are multiple business owners or participants. More information will be provided by the ATO soon.

HOW TO DETERMINE A FALL IN TURNOVER

You only need to satisfy this requirement once – you don't need to retest turnover each month.

At the time you enrol in the JobKeeper payment scheme, you need to confirm that your business in a relevant period has had, or is likely to have, a:

- 30% fall in turnover (for an aggregated turnover of \$1 billion or less)

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

- GST turnover for March 2020 with GST turnover for March 2019
- projected GST turnover for 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. The turnover calculation is based on GST turnover figures.

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. However, you will have ongoing monthly reporting requirements.

There will be alternative tests if turnover periods are not appropriate (e.g. if your business is in operation for less than a year). The ATO will release more information regarding this soon.

YOUR ELIGIBLE EMPLOYEES

Your employee is eligible under the JobKeeper Payment scheme if they:

- 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. (More information about these requirements can be found from the Services Australia website under residence descriptions.) Your employee can also be an Australian tax resident who is a Special Category (Subclass 444) Visa Holder. 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 (see Nominating employees).

You cannot claim for any employees who:

- were first employed by you after 1 March 2020, or
- left your employment before 1 March 2020, or
- have been, or have agreed to be, nominated by another employer.

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 must choose the permanent employer and cannot nominate you. They cannot receive the JobKeeper payment from more than one employer.

NOMINATING EMPLOYEES

Before you enrol to receive JobKeeper payments, you need to notify each eligible employee that you intend to nominate them as eligible employees under the JobKeeper scheme.

You must tell those employees that you have nominated them as an eligible employee to claim the JobKeeper payment. They must agree to be nominated by you by completing the JobKeeper employee nomination notice <https://www.ato.gov.au/Forms/JobKeeper-payment---employee-nomination-notice/> and returning it to you for your records.

The nomination form does not need to be provided to the ATO however employers are required to keep a copy of the completed form as part of their record keeping obligations under the law.

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, more information will be provided by the ATO soon.

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 for, to receive the JobKeeper payment.

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
- ask them to complete the *JobKeeper employee nomination notice* and return it to you. You are required to keep this form as part of your records keeping obligations under the law.
- 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.

(A) ENROL FOR THE JOBKEEPER PAYMENT (FROM 20 APRIL ONWARDS)

- Step 1** Register your interest.
- Step 2** Check you and your employees meet the eligibility requirements.
- Step 3** 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).
- Step 4** 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.
- Step 5** 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 for your records.
- Step 6** From 20 April 2020, you can enrol with the ATO 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.
- Step 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.
- Step 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).

(B) CLAIM FOR THE JOBKEEPER PAYMENT (AVAILABLE FROM 4 MAY 2020 ONWARDS)

- Step 1** Apply to claim the JobKeeper payment by logging in to the ATO Business Portal.
- Step 2** Ensure you have paid each eligible employee a **minimum of \$1,500 per JobKeeper fortnight before tax** and have received the *JobKeeper employee nomination notices*.
- Step 3** 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.
- Step 4** Submit the confirmation of your eligible employees online and wait for your confirmation email or SMS showing it has been received.
- Step 5** Notify your eligible employees you have nominated them.
- Step 6** The ATO will pay you the JobKeeper payment for all eligible employees after receiving your application.
- Step 7** Each month, you will need to reconfirm that your reported eligible employees have not changed through ATO online services, the Business Portal or Whitson Dawson. This will ensure you will continue to receive the JobKeeper payments from the ATO. 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.
- Step 8** If your eligible employees change or leave your employment, you will need to notify the ATO through your monthly JobKeeper Declaration report.

PAYING YOUR ELIGIBLE EMPLOYEES

You need to re-start or continue to pay your eligible employees at least **\$1,500 a fortnight** in line with your existing pay cycle through your existing payroll solution.

You will not be eligible for the JobKeeper payment if you pay your nominated employees **less than \$1,500 per fortnight**.

You should pay your employees for each JobKeeper fortnight you plan to claim for.

The first fortnight is from 30 March – 12 April and each JobKeeper fortnight follows after that.

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. This means that you can make two fortnightly payments of at least \$1,500 per fortnight before the end of April, or a combined payment of at least \$3,000 before the end of April.

SUPERANNUATION GUARANTEE

New rules are being introduced by the government with the intention to not require super guarantee to be paid on additional payments that are made to employees as a result of JobKeeper payments.

WHAT YOU CAN'T DO

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.

You cannot claim the JobKeeper payment in advance. The JobKeeper payment is a reimbursement from the ATO to an employer in arrears, and cannot be paid in advance in any circumstances.

EXAMPLE 1:

Employer with employees on different wages

Adam owns a real estate business with two employees. The business is still operating at this stage but Adam expects that GST turnover will fall by more than 30% in the 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 part of the cost of Anne's salary.

The business continues to pay Nick his \$1,000 per fortnight before tax salary 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 cost of Nick's salary.

Adam can obtain nomination forms from each of Anne and Nick, enrol in the JobKeeper scheme, and apply for JobKeeper payments by providing the 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.

EXAMPLE 2:

Employer with employees who have been stood down without pay

Zahrah runs a beauty salon in Melbourne. Ordinarily, she employs three permanent part-time beauticians, but the government directive that beauty salons can no longer operate has required her to shut the business. As such she has been forced to stand down her three beauticians without pay.

Zahrah's turnover will likely fall by more than 30%, so she can be eligible to apply for the JobKeeper payment for each employee, and pay at least \$1,500 per fortnight before tax to each of her three beauticians for the period up to 27 September.

Zahrah is required to advise her employees that she has nominated them as eligible employees to receive the payment.

If Zahrah's employees have already started receiving income support payments like the JobSeeker payment when they receive the JobKeeper payment, they should advise Services Australia of their change in circumstances online at my.gov.au or by phone to avoid incurring a debt that they will need to repay.

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**WHITSON DAWSON CAN HELP YOUR BUSINESS
ENROL AND CLAIM FOR THE JOBKEEPER PAYMENT.**

**PLEASE PHONE US ON (07) 4957 2985 TO DISCUSS THIS
FURTHER WITH YOUR ACCOUNTANT.**



Please Note – Many of the comments in this publication are general in nature and anyone intending to apply the information to practical circumstances should seek professional advice to independently verify their interpretation and the information's applicability to their particular circumstances.

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