

## WELCOME

Welcome to our special edition of the StewartBrown newsletter where we keep you informed and updated with the latest tax and Government assistance package developments as they arise. This newsletter outlines the JobKeeper package from the employee's perspective.

## JOBKEEPER OVERVIEW

The JobKeeper payment supports businesses significantly affected by coronavirus (COVID-19) by helping with the costs of their employees' wages, so more Australians can retain their jobs and continue to earn an income.

If you are an employee your employer will notify you if they intend to claim the JobKeeper fortnightly payment of \$1,500 on your behalf. You will not be paid the JobKeeper payment by the ATO. The payment comes from your employer who is later reimbursed by the ATO. Tax will be withheld from the payment so you may receive less than \$1,500 in your bank account.

## FIVE STEPS

There are five steps that you should take to help your employer claim the JobKeeper payment on your behalf:

**Step 1** – Check you meet the eligibility requirements (see below)

**Step 2** – Let your employer know if you want them to claim the JobKeeper payment for you.

**Step 3** – If you have multiple jobs:

- Choose which employer you want to claim the JobKeeper payment for you. You can only choose one employer. If you are a long-term casual but also have a permanent employer, you can only choose a permanent employer.
- Let your chosen employer know that you want them to claim the JobKeeper payment for you.
- Let the other employers know you have nominated a different employer for the JobKeeper payment.
- If you run a business, but are also a permanent employee, you cannot nominate to be an eligible business participant of that business.

**Step 4** – Complete the JobKeeper employee nomination notice provided by your chosen employer and return it to them as soon as possible. The form captures simple information to confirm who you are and that you choose to be nominated by them.

**Step 5** – If you are receiving income support payments, like the JobSeeker payment, contact Services Australia and let them know that your employer has applied for the JobKeeper payment. If you do not report the income or

cancel your JobSeeker Payment, you may incur a debt that you will be required to pay back.

## ELIGIBLE EMPLOYEES

Work out if you are an eligible employee. You are an eligible employee if you:

- (1) are currently employed by the eligible employer (including if you were stood down or re-hired)
- (2) were for the eligible employer, 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.
- (3) were either:
  - an Australian resident (within the meaning of the *Social Security Act 1991*), or
  - an Australian resident for the purpose of the *Income Tax Assessment Act 1936* and the holder of a Subclass 444 (Special Category) visa as at 1 March 2020.
- (4) were at least 16 years of age on 1 March, 2020
- (5) were not in receipt of any of these payments during the JobKeeper fortnight:
  - government parental leave or Dad and partner pay under the *Paid Parental Leave Act 2010*
  - a payment in accordance with Australian worker compensation law for an individual's total incapacity for work.

## INELIGIBLE EMPLOYEES

You will not be eligible if you:

- (1) were first employed after 1 March 2020; or
- (2) left your employment before 1 March 2020; or
- (3) have been, or have agreed to be, nominated by another employer.
- (4) are a full time student who is 17 years old or younger who are not financially independent.

If you started work with your current employer after 1 March 2020, your employer will not be eligible to claim the JobKeeper payment on your behalf.

If you aren't eligible to be paid JobKeeper payments by your employer, you may be able to apply for support through Services Australia depending on your personal circumstances.

## NOMINATED BY EMPLOYER

It is optional for your employer to participate in the JobKeeper payment scheme. If they do not participate in the scheme, you cannot be nominated by them. If your employer does choose to participate in the JobKeeper payment scheme, and you are an eligible employee, you must tell your employer that you agree to be nominated as an eligible employee.

Your employer will not be able to claim the JobKeeper payment on your behalf if:

- you do not agree to be nominated
- you do not return your JobKeeper employee nomination notice by the end of April.
- they or you do not meet the eligibility criteria.

Once you and your employer have agreed they are claiming the JobKeeper payment on your behalf, they will enrol and apply to receive the payment from the ATO.

## EMPLOYEES ON A FIXED TERM CONTRACT

Fixed-term contractors are eligible for the JobKeeper payment if they were employed at 1 March 2020 and meet the other eligibility criteria for the JobKeeper payment. If your contract ends and is renewed before 27 September 2020, the JobKeeper payment will only be available for the fortnights where the employment relationship exists until 27 September 2020.

## EMPLOYEES WITH MULTIPLE EMPLOYERS

If you have multiple employers, only one employer can claim the JobKeeper payment on your behalf.

If you are a long-term casual and you have other permanent employment, you must choose your permanent employer – you cannot be nominated by your casual employer.

## EMPLOYEES WHO ARE STOOD DOWN, TERMINATED OR ON LEAVE

If you were stood down after 1 March 2020, your employer will be able to claim the JobKeeper payment on your behalf if you both meet the eligibility criteria including that your employer starts paying you a minimum of \$1,500 per fortnight before tax.

If you were terminated after 1 March 2020, your employer may choose to re-engage you and claim the JobKeeper payment on your behalf if you both meet the eligibility criteria.

If you have taken up other work after being stood down, you may earn additional income without your eligible employer's JobKeeper payment being affected. As long as you are eligible and maintain your employment (including being stood down) with your JobKeeper-eligible employer you can still receive the JobKeeper payments.

## HOW MUCH WILL YOUR EMPLOYER PAY YOU?

The JobKeeper payment is paid to your employer. You will continue to receive salary or wages from your employer and the ATO will reimburse your employer after they have paid you. The payments will apply as follows:

(1) Normally earning less than \$1,500 per fortnight

If you are eligible and normally receive less than \$1,500 in income per fortnight before tax, your employer must pay you at least \$1,500 per fortnight before tax in order to receive the JobKeeper payment.

(2) If you are stood down or have reduced hours

If you normally earn more than \$1,500 but are stood down or working reduced hours, such that your ordinary income is nil (i.e. stood down) or less than \$1,500 (i.e. reduced hours) per fortnight before tax, then your employer must pay you at least \$1,500 per fortnight before tax in order to receive the JobKeeper payment.

(3) Normally earning more than \$1,500 per fortnight

If you are eligible and receive \$1,500 or more in income per fortnight before tax, you may continue to receive your regular income according to your current workplace arrangements. The JobKeeper payment will assist your employer by subsidising part of your income.

## CONCLUSION

The preceding pages have outlined the major characteristics and mechanics of how the JobKeeper program impacts employees. If you have any questions or would like anything clarified in relation to the JobKeeper program we recommend speaking with your StewartBrown Manager or Partner concerning those matters.



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