

WELCOME

Welcome to this special edition of the StewartBrown newsletter where we update you on proposed further changes to the JobKeeper Payment scheme announced recently.

JOBKEEPER VERSION 2.0

On 21 July 2020, the Federal Government announced that the JobKeeper Payment would be extended until **28 March 2021** (i.e. for a further six months beyond its original end date of 27 September 2020).

As a result, JobKeeper Payments would now be made over two separate extension periods, being:

- 1. Extension period 1** – which covers the seven new JobKeeper fortnights that commence on 28 September 2020 and end on 3 January 2021; and
- 2. Extension period 2** – which covers the six new JobKeeper fortnights that commence on 4 January 2021 and end on 28 March 2021.

From 28 September 2020, the revised JobKeeper scheme (referred to as 'JobKeeper 2.0') would be **less** generous (i.e. being subject to a **new** dual payment rate system) and would require businesses to apply a **new** 'Decline in Turnover Test' based on their **actual** GST turnover (as opposed to their *projected* GST turnover).

For more details of these measures please refer to our earlier newsletter, found by clicking on this [link](#).



JOBKEEPER VERSION 3.0

On 7 August 2020, the Federal Government announced adjustments to JobKeeper 2.0 in order to expand the eligibility criteria for JobKeeper Payments (now referred to as 'JobKeeper 3.0'), primarily in the wake of the tougher COVID-19 restrictions recently imposed in Victoria.

The adjustments contained within JobKeeper 3.0 will apply nationwide, and the amendments include the following:

1. Adjustments to employee eligibility – From 3 August 2020, the relevant date of employment (which is used to determine an employee's eligibility to JobKeeper Payments) will move from 1 March 2020 to **1 July 2020**. This is designed to increase employee eligibility for **both** the existing JobKeeper Payments scheme, as well as for the new extension periods from 28 September 2020.

Casual employees will still be required to have been employed on a regular and systematic basis for a minimum of twelve months (as is required under the existing JobKeeper Payment scheme).

2. Adjustments to the 'Decline in Turnover Test' – To qualify for the JobKeeper Payment in the extension periods, businesses will now only have to demonstrate that their **actual** GST turnovers have significantly decreased in the previous quarter under JobKeeper 3.0.

For these purposes, the applicable rate of decline in turnover required to qualify for JobKeeper 3.0 is determined in accordance with the existing rules (i.e. **50%** for entities with an aggregated turnover of more than \$1 billion, **30%** for entities with an aggregated turnover of \$1 billion or less and **15%** for ACNC-registered charities).

Specifically, to be eligible for the **JobKeeper Payments in Extension Period 1** (i.e. from 28 September 2020 to 3 January 2021), businesses only need to demonstrate a significant decline in turnover in the September 2020 quarter (whereas under the previously announced JobKeeper 2.0, they would have been required to show that they had suffered a significant decline in turnover in **both** the June **and** September 2020 quarters).

In addition, to be eligible for the **JobKeeper Payments in Extension Period 2** (i.e. from 4 January 2021 to 28 March 2021) businesses only need to demonstrate a significant decline in turnover in the December 2020 quarter (whereas under the previously announced JobKeeper 2.0, they would have been required to show that they had suffered a significant decline in turnover in **each** of the June, September **and** December 2020 quarters).

Payment rates

Importantly, the dual payment rate system originally proposed in JobKeeper 2.0 will remain, with the full rate of payment decreasing from **\$1,500** to **\$1,200** per fortnight from 28 September 2020 and then to **\$1,000** per fortnight from 4 January 2021.

The proposed reduced rates (being **\$750** from 28 September 2020 and **\$650** from 4 January 2021) will also remain for employees and business participants who worked fewer than 20 hours per week in the relevant period.

Proposals not yet law

The changes are expected to be implemented through amendments to the legislative instrument, [Coronavirus Economic Response Package \(Payments and Benefits\) Rules 2020](#) once Parliament resumes from 24 August 2020.

We are also anticipating further guidance to be issued by the ATO over the next few weeks particularly in relation to areas requiring the Commissioner of Taxation's discretion.

The Department of Treasury has released a Fact Sheet further explaining these proposed changes and this can be found by clicking on this [link](#).



ACTION POINTS

In readiness for these changes to the JobKeeper Payment scheme we would recommend that businesses prepare themselves as follows:

1. Finalise accounting processing for the September 2020 quarter ASAP. The current JobKeeper Payment scheme ends on 27 September 2020. Businesses will need to be able to assess eligibility for JobKeeper 3.0 fairly quickly due to the need to satisfy the 'wage condition' of the JobKeeper Payment scheme. As an employer you must pay your employees' wages **before** being reimbursed by the ATO. We note that the first JobKeeper fortnight within extension period 1 ends 11 October 2020, so assessing eligibility quickly post 30 September will be key.
2. Review employees at 1 July 2020 and work out who is eligible. The same rules still apply for employees (long-term casuals, residents, etc). For newly hired employees who become eligible ensure you obtain a signed JobKeeper Employee Nomination Notice, an ATO pro forma template is available by clicking on this [link](#).

JOBKEEPER EXPERTS

Should you require further information concerning these proposed changes to the JobKeeper Payment scheme please contact your StewartBrown Manager or Partner for assistance. Our team have been very successful in reviewing eligibility and applying for JobKeeper Payments even in cases where clients thought they were not eligible.

For many clients we have handled all JobKeeper Payment responsibilities from initial assessment and enrolment, right through to the monthly reporting declarations and on-going advice.



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