



JobKeeper Payment — Information for employers

EMPLOYER OBLIGATIONS

To receive the JobKeeper Payment, employers must:

- Apply at ato.gov.au and assess that they have or will likely **experience the required turnover decline**.
- **Provide information to the ATO on all eligible employees.** This includes information on the eligible employees engaged as at 1 March 2020 and those currently employed by the business or not-for-profit (including those stood down or re-hired). For most businesses or not-for-profits, the ATO will use Single Touch Payroll data to pre-populate the employee details for the business or not-for-profit.
- **Ensure that each eligible employee receives at least \$1,500 per fortnight (before tax).** Employees who receive \$1,500 per fortnight or more from their employer will continue to receive their regular income according to their prevailing workplace arrangements. For employees that have been receiving less than this amount, the employer will now need to pay them, at a minimum, \$1,500 per fortnight before tax.
- Notify all **eligible employees that they are receiving the JobKeeper Payment** and provide each employee of the entity with a nomination form unless you reasonably believe that the employee does not satisfy the eligibility requirements.
- Continue to provide information to the ATO on a monthly basis, including the number of eligible employees employed by the business.

BACKGROUND ON JOBKEEPER PAYMENT FOR EMPLOYERS

Under the JobKeeper Payment, businesses or not-for-profits impacted by the Coronavirus will be able to access a subsidy from the Government to continue paying their employees. Affected employers will be able to claim a payment of \$1,500 per fortnight per eligible employee from 30 March 2020 until 27 September 2020.

Eligible employers

Employers (including not-for-profits) will be eligible for the subsidy if:

- their business has an aggregated turnover of less than \$1 billion (for income tax purposes¹) and they estimate their GST turnover has fallen or will likely fall by 30 per cent or more; or
- their business has an aggregated turnover of \$1 billion or more (for income tax purposes) and they estimate their GST turnover has fallen or will likely fall by 50 per cent or more; and
- their business is not subject to the Major Bank Levy.

Self-employed individuals (businesses without employees) will be eligible to receive the JobKeeper Payment where they meet the relevant turnover test outlined above.

For charities registered with the Australian Charities and Not-for-profits Commission (ACNC), they will be eligible for the subsidy if they estimate their GST turnover has fallen or will likely fall by 15 per cent or more relative to a comparable period. This lower turnover decline test does not apply to universities and non-government schools that are registered charities, who will remain subject to the turnover decline tests set out above for other not-for-profits and businesses.

¹ Aggregated turnover is an entity's annual turnover from carrying on a business plus the annual turnover from carrying on a business of any business or individual connected with or affiliated with the entity.

The Australian government and its agencies, State and Territory governments and their agencies, foreign governments and their agencies, local governments and wholly-owned corporations of these bodies are not eligible for the JobKeeper Payment.

To establish that a business or not-for-profit has, or is likely to, face the relevant fall in their turnover, most would be expected to establish that their turnover has or will likely fall in the relevant month or quarter (depending on their Business Activity Statement reporting period) relative to their turnover in a corresponding period a year earlier. Universities will need to meet the turnover decline test by comparing their projected turnover for the six month period of January to June 2020 with turnover for January to June 2019.

Turnover is calculated as it is for GST purposes, and is reported on Business Activity Statements. It includes all taxable supplies and all GST free supplies but not input taxed supplies. For registered charities, they may also include donations they have received or are likely to receive in their turnover for the purpose of determining if they have been adversely affected. Registered charities can elect to exclude government revenue from the turnover test.

An alternate decline in turnover test will apply to special purpose employment entities. In circumstances where an employment entity is utilised within a group of companies, and that employment entity is unable to demonstrate a decline in its own turnover because, for example, it has had its full year of staffing fees paid in advance, the employment entity will be able to refer to the decline in turnover of the operating entities it services. This will provide for eligibility of special purpose service entities that provide employee labour to group members and that have not met the basic test for decline in turnover.

Where a business or not-for-profit was not in operation a year earlier, or where their turnover a year earlier was not representative of their usual or average turnover, (e.g. because there was a large interim acquisition, they were newly established or their turnover is typically highly variable) the Tax Commissioner will have discretion to consider additional information that the business or not-for-profit can provide to establish that they have been significantly affected by the impacts of the Coronavirus. The payment cannot be paid to businesses that are in liquidation.

The Tax Commissioner will also have discretion to set out alternative tests that would establish eligibility in specific circumstances (e.g. eligibility may be established as soon as a business has ceased or significantly curtails its operations). There will be some tolerance where employers, in good faith, estimate a 30 per cent or more or 50 per cent or more fall in turnover but actually experience a slightly smaller fall.

If a business has an aggregated turnover of \$1 billion or more (for income tax purposes), the 50 per cent or more GST turnover test will apply to each business connected with or affiliated with that business. If the business has an aggregated turnover of less than \$1 billion, the 30 per cent or more GST turnover test is applied to each business connected with or affiliated with that business. Individual businesses within corporate group may be eligible for the JobKeeper Payment while other businesses in the group may not be eligible.

The employer must have been in an employment relationship with eligible employees as at 1 March 2020, and confirm that each eligible employee is currently engaged in order to receive the JobKeeper Payment.

Eligible employees

Eligible employees are employees who:

- are currently employed by the eligible employer (including those stood down or re-hired);
- were employed by the employer at 1 March 2020;
- are full-time, part-time, or long-term casuals (a casual employed on a regular and systemic basis for longer than 12 months as at 1 March 2020);
- are a permanent employee of the employer, or if a long-term casual employee, not a permanent employee of any other employer;
- were at least 16 years of age at 1 March 2020, with the exception of full time students who are 17 years old and younger and who are not financially independent;

- are an Australian citizen, the holder of a permanent visa, or a Special Category (Subclass 444) Visa Holder at 1 March 2020;
- were a resident for Australian tax purposes on 1 March 2020; and
- are not in receipt of a JobKeeper Payment from another employer.

Employees receiving Parental Leave Pay from Services Australia are not eligible for the JobKeeper Payment. However, employees on parental leave from their employer will be eligible. Where a charity has employees that are fully funded from government revenue and the charity meets the turnover decline test by excluding that revenue, the charity may choose not to nominate those employees. Employees receiving workers compensation will be eligible for the JobKeeper Payment if they are working, for example, on reduced hours, but will generally not be eligible if they are not working.

If your employees receive the JobKeeper Payment, this may affect their eligibility for income support payments and they must report their change in circumstances to Services Australia online at my.gov.au or by telephone, to avoid incurring a debt that will be required to be repaid.

APPLICATION PROCESS

Businesses with employees

Initially, employers can register their interest in applying for the JobKeeper Payment via ato.gov.au from 30 March 2020.

Subsequently, eligible employers will be able to apply for the scheme by means of an online application. The first payment will be received by employers from the ATO in the first week of May.

Eligible employers will need to identify eligible employees for JobKeeper Payments and must provide monthly updates to the ATO. An employer that elects to participate is required to include all eligible employees in the scheme. A business owner who is a permanent employee of another employer is only eligible for the JobKeeper Payment from that employer.

Participating employers will be required to ensure eligible employees receive, at a minimum, \$1,500 per fortnight before tax.

It will be up to the employer if they want to pay superannuation on any additional wage paid because of the JobKeeper Payment.

Further details for businesses or not-for-profits with employees will be provided at ato.gov.au.

Businesses without employees

Businesses without employees, such as the self-employed, can register their interest in applying for JobKeeper Payment at ato.gov.au from 30 March 2020.

Businesses without employees will need to provide an ABN for their business, nominate an owner to receive the payment and provide that owner's Tax File Number and provide a declaration as to recent business activity. A business owner who is a permanent employee of another employer is only eligible for the JobKeeper Payment from that employer.

The payment will be made monthly to that person's bank account.

Further details for the self-employed are see the *Support for Sole Traders* factsheet.

Employer with employees on different wages

Adam owns a real estate business with two employees. The business is still operating but Adam expects that turnover will decline by more than 30 per cent in 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 the cost of Anne's salary and will continue paying the superannuation guarantee on Anne's income;
- The business continues to pay Nick his part-time salary of \$1,000 per fortnight before tax 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 full cost of Nick's salary. The business must continue to pay the superannuation guarantee on the \$1,000 per fortnight that Nick is earning. The business has the option of choosing to pay the superannuation guarantee on the additional \$500 (before tax) paid to Nick under the JobKeeper Payment.

Adam can register his initial interest in the scheme from 30 March 2020, followed subsequently by an application to 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.

Employer with employees who have been stood down without pay

Zahrah runs a beauty salon in Melbourne. Ordinarily, she employs three permanent part-time employees, but due to the Coronavirus she has temporarily closed her doors as a business and has stood down her three employees without pay.

Zahrah's turnover will decline by more than 30 per cent, so she is eligible to apply for the JobKeeper Payment for each employee. She will receive \$1,500 per fortnight for each of her three employees for up to six months and she is required to have passed on those payments to her employees. Zahrah will maintain the connection to her employees, and be in a position to quickly resume her operations.

Zahrah is required to advise her employees that she has nominated them as eligible employees to receive the payment. It is up to Zahrah whether she wants to pay superannuation on the additional income paid because of the JobKeeper Payment.

If Zahrah's employees have already started receiving income support payments like the JobSeeker Payment, when they receive the JobKeeper Payment they must advise Services Australia of their change in circumstances online at my.gov.au or by telephone.