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JOBKEEPER EXTENSION SUMMARY

The extension to the JobKeeper payment, which was due to end on the 27th September 2020, received Royal Assent on 3 September 2020. There are several important changes in the extension, namely the period it runs for, the turnover test period and the payment rate per fortnight.

PERIOD IT RUNS FOR

The first period will run from 28 September 2020 to 3 January 2021. The second period will run from 4 January 2021 to 28 March 2021. You need to qualify for each period separately using the turnover test periods.

TURNOVER TEST PERIODS

The basic turnover test will require businesses to compare their actual GST turnover in the September 2020 quarter to the September 2019 quarter, to determine if they have suffered the required decline in turnover to be eligible for the JobKeeper payment from 28th September 2020 to 3 January 2021. The required decline in turnover remains: -

- 50% for businesses with an aggregated turnover of more than \$1 billion;
- 30% for those with an aggregated turnover below \$1 billion; or
- 15% for Australian Charities and Not-for Profits Commission-registered charities

To be eligible for the period from 4 January 2021 to 28 March 2021, you will need to compare your actual GST turnover for the December 2020 quarter to the December 2019 quarter to determine if you meet the required decline in turnover test.

Business that have been trading for a shorter period will be able to use the alternative turnover test. The details of this test are still to be published.

The JobKeeper payment will be open to new recipients provided they meet the eligibility requirements and turnover test that apply during the relevant period.

JOBKEEPER PAYMENT RATE

The payment rate has been decreased for each of the extended periods. There are also two rates for each of the periods: -

- One for eligible employees who were working in the business for 20 hours or more per week on average in the 4 weeks of pay periods before either 1 March 2020 or 1 July 2020. This also applies to eligible business participants who were actively engaged in the business for 20 hours or more per week on average; and
- A lower rate for other eligible employees and business participants.

If an eligible employee was employed by the business in February 2020, you can use the higher average hours worked for either February or June to determine which rate they qualify for. As an example, an employee who was working full-time in February 2020 but had her average weekly hours cut to below 20 hours a week before June 2020, can still qualify for the higher JobKeeper payment for both extended phases.

In addition an employee is eligible if they were a full time, part-time or fixed-term employee at 1 July 2020 (previously had to be at 1 March 2020), or a long-term casual employee (employed on a regular and systematic basis for at least 12 months) at 1 July 2020 (previously 1 March 2020).

PAYMENT RATE PER FORTNIGHT

We thought it would be easier to use a table to reflect the different rates for the different periods. Refer to the previous section for the calculation of the average working hours per week.

	Workers and Business Participants working average of 20 hours or more per week	Workers and Business Participants working less than an average of 20 Hours per week
Current period JobKeeper payment per fortnight ending 27 September 2020	\$1,500	\$1,500
Period 2 JobKeeper payment per fortnight 28 September 2020 to 3 January 2021	\$1,200	\$750
Period 3 JobKeeper payment per fortnight 4 January 2021 to 28 March 2021	\$1,000	\$650

MODIFIED FAIR WORK FLEXIBILITY MEASURES

The Fair Work flexibility measures that were in place have also been modified to exclude the annual leave provisions whereby an employer could request an eligible employee to take paid annual leave. From 28 September 2020 the employer can still: -

- Give an employee JobKeeper enabling directions in relation to duties and location of work;
- Reach agreements with that employee around days and times of work; or
- Give that employee a JobKeeper enabling stand down direction to reduce that employee's ordinary hours of work including to no hours.

There is also a provision for what are termed "legacy employers". These are employers who qualified for JobKeeper up to 28 September 2020 but are no longer eligible for the following period. Legacy employers must still have suffered a decline of at least 10% in the turnover test period as calculated under the JobKeeper rules.

Legacy employers can still give employees directions under the first 2 dot points above but under the third point they can only reduce that employee's ordinary hours to a minimum of 60% of the employee's ordinary hours as they were at 1 March 2020, provided the relevant criteria for issuing the direction are met.

Such an agreement or direction cannot result in the employee working less than 2 hours in a day and the employer must also give 7 days' notice rather than the 3. The consultation requirements have also been expanded.

Please note – To qualify as a legacy employer you must obtain a certificate from a qualified accountant or a registered tax or BAS agent.

If you have any queries with the above, please contact us and we will assist wherever possible.

From all of us at Teamwork Accounting, keep safe and pray the lockdown ends soon!!