

JobKeeper FAQ's

Q1. Is my business eligible?

Employers and businesses are eligible for the JobKeeper payment if all 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 either a
 - 30% fall in turnover (for an aggregated turnover of \$1 billion or less)
 - 50% fall in turnover (for an aggregated turnover of more than \$1 billion)
 - 15% fall in turnover (for ACNC-registered charities other than universities and schools).

Q2. How do I determine my business has had a 30% loss of turnover?

Choose whether you are comparing your monthly or quarterly turnover. You can choose to compare the relevant month or quarter, regardless of whether you report quarterly or monthly.

For qualification from the start of the scheme, the turnover month used can be either March 2020 or April 2020. To qualify at a later time, the turnover month can also be May, June, July, August or September 2020, provided that the turnover month is the month in which the first fortnight for which you claim the JobKeeper payment ends, or another earlier month.

In other words, you will only be eligible for JobKeeper payments for JobKeeper fortnights that end on or after your turnover test period starts.

If turnover for a quarter is being used, it can be the quarter:

- 1 April 2020 to 30 June 2020
- 1 July 2020 to 30 September 2020, but only if first seeking to qualify for fortnights ending in July 2020 or later.

This must be the same period in 2019 that corresponds to the turnover test period.

There may be situations where the turnover in the corresponding period in 2019 does not provide an appropriate, relevant comparison. In these situations, you will need to consider the alternative test.

Q3. I need to use the alternative test - how do I determine my loss of turnover this way?

Circumstances where an alternative test applies:

- the entity commenced business after the relevant comparison period (the business did not exist in that period)
- the entity acquired or disposed of part of the business after the relevant comparison period (the business is not the same business in that period as it is now)
- the entity undertook a restructure after the relevant comparison period (the business is not the same business in that period as it is now)
- the entity's turnover substantially increased by:

- 50% or more in the 12 months immediately before the applicable turnover test period; or
- 25% or more in the six months immediately before the applicable turnover test period, or
- 12.5% or more in the three months immediately before the applicable turnover test period.
- the entity was affected by drought, or other declared natural disaster during the relevant comparison period
- the entity has a large irregular variance in their turnover for the quarters ending in the 12 months before the applicable turnover test period, excluding entities that have cyclical or regular seasonal variation in their turnover, or
- the entity is a sole trader or small partnership where sickness, injury or leave have impacted an individual's ability to work which has affected turnover.

Q4. Do I use Cash or Accrual reports to determine my turnover loss?

You may use an accruals basis of accounting to calculate both the current GST turnover and projected GST turnover as both calculations require you to include sales that you have made or are likely to make without any reference to when you are paid.

However, if you prepare your activity statements on a cash basis, the ATO will allow you to calculate both the current and projected GST turnovers on a cash basis. The basis used must be the same for calculating your expected and current GST turnover.

Q5. How do I enrol for the JobKeeper payments?

To enrol you or your registered Tax or BAS agent will need to log into the business portal using MyGov ID and follow the COVID-19 prompts.

Q6. Which of my employees are eligible?

An employer is only entitled to a JobKeeper payment for a person for a fortnight if the person is an eligible employee. This reflects that the payment is a wage subsidy – it is intended to help employers to continue paying their employees during this period of downturn.

An eligible employee of an employer for a JobKeeper payment is a person who satisfies the following requirements:

On 1 March 2020:

- the person was aged 16 years or over;
- the person was an employee other than a casual employee of the employer or was a long term (12 months employed as casual) casual employee of the employer, and
- the person was an Australian resident (within the meaning of section 7 of the Social Security Act 1991), or was a resident of Australia for the purposes of the Income Tax Assessment Act 1936 and was the holder of a Subclass 444 (Special Category) visa.

At any time during the fortnight:

- the person is an employee of the employer;
- the person is not excluded from being an eligible employee. The exclusions relate to recipients of parental leave pay and dad and partner pay under the Paid Parental Leave Act 2010, and specified recipients of workers' compensation.

Q7. I am an employee – how do I know if I am an ‘eligible employee’?

The two sets of criteria for when a person is an eligible employee are:

- Test 1 – Eligible employee test – 1 March 2020 requirements
- Test 2 – Eligible employee test – JobKeeper fortnight requirements

Test 1 – Eligible employee test – 1 March 2020 requirements

- An employee who was younger than 16 years of age on 1 March 2020 is excluded from the JobKeeper payment scheme.
- An employee is employed on 1 March 2020, i.e. needs to be an employee of an entity before it experienced a significant downturn as a result of the Coronavirus.
- a ‘long term casual employee,’ i.e. a person who has been employed by the employer on a regular and systematic basis during the period of 12 months that ended on 1 March 2020.
- The employee satisfies the residency requirement on 1 March 2020.

Test 2 – Eligible employee test – JobKeeper fortnight requirements

- a person was an employee of the employer at any time during that fortnight. The person does not need to be employed for the full fortnight.
- This ensures that an employer is eligible to receive a JobKeeper payment for a fortnight in respect of an employee who has been rehired or terminated at a point during the fortnight, provided the other eligibility and entitlement requirements are satisfied.

Q8. Can I pick which eligible employees I will receive Jobkeeper for?

Once an employer decides to participate in the JobKeeper scheme and their eligible employees have agreed to be nominated by the employer, the employer must ensure that all these eligible employees are covered by their participation in the scheme. This includes all eligible employees who are undertaking work for the employer or have been stood down. The employer cannot select which eligible employees will participate in the scheme.

Q9. What happens if my business receives the JobKeeper payments based on a forecast that turns out to be incorrect?

If an entity receives the JobKeeper payments based on a forecast that turns out to be incorrect, they may be potentially be required to refund the payments to the ATO. However, the Commissioner has indicated there will be some tolerance where employers, in good faith, estimate a 30% decline in turnover but experience a slightly smaller fall.

Q10. Do I need to report and retest my businesses eligibility of a 30% loss of turnover every month that I am receiving JobKeeper?

No – you only need to test your eligibility of a 30% turnover loss once. Once you have determined a 30% loss, you are eligible for the JobKeeper payments to September.

Q11. Do I need to be registered for GST?

No – you do not need to be a GST registered business to be eligible. You must have an ABN.

Q12. Do I have to pay my employees before I receive the JobKeeper?

Yes - a payment of \$1500 per fortnight must have already been passed on to the eligible employee in full.

Q14. As an employer, do I have to register for the JobKeeper payment?

No – you are under no legal obligation to participate in JobKeeper.

Eligible employers who want to participate must apply for the JobKeeper scheme via an application to the ATO.

Q15. If I am in business but do not employ people am I eligible to receive \$1500 per fortnight?

A business may be entitled to the JobKeeper payment for the business owner or a nominated owner even if they do not have employees in the payroll. A business can be entitled to a JobKeeper payment for one business participant who is actively engaged in operating the business.

Q16. Will the payment of \$1500 per fortnight from the government include GST?

No - GST does not apply for JobKeeper payments made to businesses.

Q17. Is my business eligible to receive Jobkeeper payments even if we have not closed or stood down employees?

If your business meets all of the eligibility criteria regardless of if you have continued to trade then yes, you are an eligible business.

Q18. Do I need to tell my employees that I have registered for the JobKeeper payment?

Qualifying employers that decide to participate in the JobKeeper scheme must, as a condition of entitlement, notify all employees in writing that they have elected to participate in the scheme and that their eligible employees will all be covered by the scheme.

Q19. What periods do I use for the turnover test?

The periods for the turnover test can be periods of **one month** or **three months**.

One month turnover test period must be one of the following months:

- March 2020;
- April 2020;
- May 2020;
- June 2020;
- July 2020;
- August 2020;
- September 2020; or

Three month period must be one of the following periods:

- the quarter that starts on 1 April 2020;
- the quarter that begins on 1 July 2020.

Accordingly, for example, a business can make a comparison by comparing:

- the whole of the month of March 2020 with March 2019, or
- the quarter beginning on 1 April 2020 with the quarter beginning on 1 April 2019.

Q20. How do I estimate my projected GST turnover?

Projected GST turnover includes the value of all the supplies that an entity has made or is likely to make in the period. A supply is expected to be made where, on the balance of probabilities, it can be predicted that the supply is more likely than not to be made.

The likelihood of a supply being made must be based on a reasonable expectation and considered in the context of the facts and circumstances of a particular business, such as by reference to the terms of a specific contract which requires supplies to be made in a certain period.

Q21. I am a casual employee with less than 12 months with my current employer

Casual employees who have not been employed between 1 March 2019 and 1 March 2020 with the same employer cannot be an eligible employee for the JobKeeper scheme.

There is some flexibility for any changes in ownership of a business and movement of employees within the same wholly-owned group. It means that employees are not disadvantaged if these events, which are ordinarily beyond their control, occur.

A person can, therefore, be treated as an eligible employee of the same employer even if the business or non-profit body in which the person is employed changes hands after 1 March 2020. It also means that in working out if a person is a long term casual employee of an employer, employment in a business or non-profit body in the 12 month period ending on 1 March 2020 can be counted even if the business or non-profit body changed hands during that period.

Example Long term casual employees

On 1 March 2019, Jenny commences employment as a casual employee at Annie's Bakery. Sam has a regular work schedule – working between 3 and 4 days each week. On 1 July 2019, ownership of Annie's Bakery changes hands. Sam continues to be employed as a casual employee of Annie's Bakery and continues to work according to their regular work schedule from that date until 10 March 2020, when Sam is stood down.

For the purposes of determining whether Sam is a long term casual employee and an eligible employee, the fact that the business has changed hands will not disadvantage Sam. Sam can demonstrate regular and systematic employment at Annie's Bakery for over 12 months. He is, therefore, a long term casual employee for the JobKeeper scheme.

Q22. What happens if I am receiving Paid Parental Leave?

A person cannot be an eligible employee for JobKeeper if, under the Paid Parental Leave Act 2010, parental leave pay is payable to a person, and the person's paid parental leave (PPL) period overlaps with or includes a fortnight in respect of which a JobKeeper payment may be paid. The same applies to a person who is paid dad and partner pay under the Paid Parental Leave Act 2010 at any time during the fortnight.

If a person ceases to receive parental leave pay or dad and partner pay – for example, because they have received the full amount of the pay – and the person is otherwise an eligible employee of a qualifying employer, their employer may be able to receive JobKeeper payments for their employee. This exclusion does not extend to any employer-funded paid parental leave that is outside the scope of the Paid Parental Leave Act 2010. This is because employer-funded paid parental leave schemes vary significantly in terms of the support that is provided by the employer.

Q23. Do eligible employees include contractors?

Yes - Treasury guidance indicates that fixed-term contractors employed at 1 March 2020 who satisfy the other eligibility criteria will be eligible to receive JobKeeper payments.

Q24. Do eligible employees include company directors?

A director receiving a salary or wage who satisfies the other eligibility criteria will be eligible to receive JobKeeper payments. An eligible business operated through a company that pays director fees to non-executive directors may nominate only one such individual to receive JobKeeper payments.

Q25. Are employees that are on leave (paid or unpaid) eligible for the JobKeeper payment?

Employees on paid or unpaid leave will remain eligible for the JobKeeper payment, assuming they meet the other eligibility criteria.

Q26. Is superannuation paid on top of the JobKeeper payment?

Changes to the legislation will ensure that an employer will only need to make superannuation contributions for any amount payable to an employee in respect of their actual employment, disregarding any extra payments made by the employer to satisfy the wage condition for getting the JobKeeper payment.

Q27. As an employer, what do I tell the ATO about my eligible employees?

To be entitled to a JobKeeper payment for a fortnight, the employer must have provided the following information to the Commissioner in the approved form:

- the details of each eligible employee; and
- other information about their entitlement to the JobKeeper payment.

It is anticipated that the Commissioner may require the following details for each eligible employee in the approved form:

- the name of the employee;
- the type of the employee's employment; and
- the employee's citizenship or residency status.

Once an employer has provided details of its eligible employees to the Commissioner, the employer **must also notify each eligible employee within seven days**. This requirement is intended to keep eligible employees informed about the process.

If the information provided to the Commissioner does not subsequently change in the following JobKeeper fortnights, an employer is not required to provide the same information to the Commissioner again. However, where there is a change of circumstances – for example, a person who

was an eligible employee for the previous JobKeeper fortnight is no longer an eligible employee for the relevant JobKeeper fortnight – the employer must notify the Commissioner of this in the approved form **before the end of the relevant JobKeeper fortnight** to satisfy the notification requirements for entitlement to a payment for that fortnight.

Q29. Can I earn other income while I receive JobKeeper payments?

The JobKeeper payment is not income tested. Eligible employees or other recipients of JobKeeper, including sole traders, can earn additional income without losing their eligibility for the payment.

Q30. Can I receive both the JobKeeper payment and the ‘supporting apprentices and trainees subsidy’?

No – employers are only eligible for one of the subsidies. Where an employer would qualify for both payments, they may receive the apprentice subsidy for the period 1 January 2020 to 31 March 2020. The employer could then receive payments under JobKeeper for the period from 1 April 2020 to 27 September 2020.

Q31. What happens if I think as an employer, I am no longer eligible?

An employer is not entitled to the JobKeeper payment if they notify the Commissioner that they no longer wish to participate in the JobKeeper scheme. This **notification must be made in the form approved by the Commissioner**. An employer does not need to consult with or obtain the consent of its eligible employees if it no longer wishes to participate in the JobKeeper scheme.

Q32. I am a business owner – am I eligible for the JobKeeper payment?

The JobKeeper payment entitles an employer to the JobKeeper payment for its eligible employees. This could include a business owner who is an employee, including a sole trader, the adult beneficiary of a trust, or a director or shareholder of a company. However, it will not include owners who are not employees such as sole traders, partners, the adult beneficiary of trusts, or a director or shareholder of a company.

However, the JobKeeper scheme recognises that certain participants in a business, such as a sole trader, are also affected by the economic downturn caused by the Coronavirus. Accordingly, to provide a benefit to such business participants, the Rules in Division 3 **extend the availability of the JobKeeper payment to certain participants in a qualifying business**. The entitlement to the JobKeeper payment applies to businesses and is not available to non-profit entities.

Entitlement to a JobKeeper payment as a business participant operates similarly to entitlement to the payment as an employer with some additional integrity rules. Particularly:

- the fortnight must be a JobKeeper fortnight, and
- the business must qualify for the JobKeeper scheme on or before the end of the fortnight.

1. **You must notify the ATO** – An entity must notify the Commissioner of its election to participate in the JobKeeper scheme and the details of the nominated individual. Also, the entity must not have notified the Commissioner that the entity no longer wishes to participate in the JobKeeper scheme. Notification of this information must be made in the approved form.
2. **No more than one individual and one entity** – A business is not entitled to a JobKeeper payment under Division 3 of the Rules for more than one individual. If a business has more than one eligible participant, the business can only be entitled to receive the JobKeeper payment in relation to one

of the individuals. It is up to the business to determine which individual is nominated as the eligible business participant.

Similarly, an individual can only create an entitlement for one entity. A business is not entitled to a JobKeeper payment for an individual if another business is also entitled under either Division 3 or Division 2 for the same individual. For example, where an individual is an eligible participant of two businesses – only one of those businesses is entitled to the JobKeeper payment in respect of that individual. Also, for example, where an individual is an eligible participant of a business and is entitled to a JobKeeper payment as an employee of another business—the business is not entitled to a JobKeeper payment in respect of the individual.

3. Integrity rule – The JobKeeper payment for an entity in respect of business participants is intended to support active businesses only. The only entities that are entitled to a JobKeeper payment for business participants are those that **had an ABN on 12 March 2020**, or such later time that the Commissioner allows.

This discretion is only able to be exercised by the Commissioner for unintended situations where the entity was running an active business before 12 March 2020 but was not required to have an ABN to operate it. This will occur only in limited circumstances, such as in relation to businesses that are conducted in the external Territories.

With an entity that has an ABN, it is additionally required that:

- an amount was included in the entity's assessable income for the 2018-19 income year in relation to it carrying on a business, and the Commissioner had notice on or before 12 March 2020 (or a later time allowed by the Commissioner) that the amount should be so included, and
- the entity made a taxable supply in a tax period that applied to it that started on or after 1 July 2018 and ended before 12 March 2020, and the Commissioner had notice on or before 12 March 2020 (or a later time allowed by the Commissioner) that the entity had made the taxable supply.

To determine whether the entity made a taxable supply, it should be assumed that the entity is registered, the supply is neither GST-free nor input taxed, and the external Territories are part of the indirect tax zone.

4. Must be an eligible business participant – The individual for whom a business is entitled to the JobKeeper payment must be an individual that is an eligible business participant.

An individual is an eligible business participant where the individual:

- is not employed by the business at any time in the fortnight (that is because the individual is the owner of the business, i.e. a nominated business participant not an employee of the business);
- satisfies the business participation requirements at any time in the fortnight;
- meets the 1 March 2020 requirements; and
- satisfies the nomination the requirements.

The business participation requirements are that, at any time in the fortnight, the individual is actively engaged in the business carried on by the entity. The individual must be actively involved in the operations and activities of the body.

Further, depending on the type of entity the business is, the individual must have a particular role within the business. In the case of an entity that is a:

- sole trader—the individual must be the entity;
- partnership—the individual must be a partner in the partnership;
- trust—the individual must be an adult beneficiary of the trust; and
- company—either a director or shareholder in the company.

Q33. What turnover reporting do I have to provide to the ATO monthly for the JobKeeper payment?

The JobKeeper scheme requires monthly reporting. An entity that is entitled to a JobKeeper payment must notify the Commissioner of:

- its current GST turnover for the reporting month; and
- its projected GST turnover for the following month.

The information provided as part of this report does not affect an entity's eligibility; the decline in the turnover test only needs to be determined and met once. It is also not intended to verify whether the projection given as part of the decline in the turnover test was accurate. It is intended to ensure that there is good information on which to assess the economic impact of the Coronavirus monthly across Australia and if the JobKeeper stimulus is working.

Q34. When will the JobKeeper payments stop?

JobKeeper payments are intended to only be available up to the fortnight ending on 27 September 2020, although payments may still be made for those fortnights beyond this time.

For any questions that aren't listed here or for more technical queries, please email mail@themoneyedge.com.au or call us at the office on 07 4151 8898