

IMPORTANT CHANGES TO JOBKEEPER

Jobkeeper 2.0 ended on the 3rd January 2021. Please note that employer obligations will change of that date, and your business is no longer obliged to pay the minimum gross Jobkeeper amount of \$1,200 per fortnight to eligible Tier 1 employees & \$750 per fortnight to eligible Tier 2 employees.

For those with a business which qualifies for Jobkeeper 3.0 there will be new gross minimum fortnightly amounts to pay.

Please refer to the Jobkeeper 3.0 information attached for further details.

JOBKEEPER 3.0 INFORMATION

Jobkeeper was a government subsidy that initially ran from 30 March 2020 to 27 September 2020 due to Covid 19. A review of the impact of Covid19 was undertaken by the government in July 2020 to assess if further subsidies were required, and they have determined that the Jobkeeper subsidy will be extended for 2 further periods.

IMPORTANT DATES

- Jobkeeper 1.0 finishes on the 27th September 2020.
- Jobkeeper 2.0 will operate for the period 28 September 2020 to 3 January 2021.
- Jobkeeper 3.0 will operate for the period 4 January 2021 to 28 March 2021.

JOBKEEPER 2.0

As Jobkeeper 2.0 subsidy concluded on 3rd January 2021 it is important that your business does not continue to top-up eligible employees gross pays to \$1,200 per fortnight For Tier 1 Employees and \$750 per fortnight for Tier 2 employees **after** 3rd January 2021 as the government will not be reimbursing this. If your employees normally earn more than the above gross amounts per fortnight you should continue to pay them at their regular rate.

ELIGIBILITY FOR JOBKEEPER 3.0

If you have outstanding activity statements, you need to ensure that these activity statements are lodged as the ATO have indicated that the outstanding lodgments may cause a delay in the Jobkeeper reimbursements being made to your business.

To be eligible to receive Jobkeeper 3.0 you need to compare the actual GST turnover for December 2020 quarter with the actual GST turnover for the December 2019 quarter. If the turnover is down by **at least 30%** your business is eligible to receive Jobkeeper 3.0.

If the turnover is not down by at least 30% you will not be eligible for Jobkeeper 3.0.

HOW TO DETERMINE ELIGIBILITY

If you utilize an accounting software program to track your income and expenses you will be able to print out reports showing the GST exclusive turnover for the December 2020 quarter and the December 2019 quarter. You can then use those reports to determine if you have suffered a 30% downturn in turnover in those comparison periods. Please note that if you operate your business on a cash basis for GST you will need to printout reports that are on a cash basis. Alternatively, if your business is on an accruals basis for GST you will need to printout reports on an accruals basis.

For those clients who do not use accounting software to track your income and expenses, you will need to calculate your turnover by using bank statements for the relevant periods to determine if you have had a 30% downturn in turnover.

Please note that if you sold business assets during the December 2020 quarter, you will need to include the GST exclusive amount of the sale in your turnover.

The ATO has released information in relation to alternate tests that may be available to business with infrequent turnover or new start up business that commenced after October 2019.

MY BUSINESS IS ELIGIBLE FOR JOBKEEPER 3.0, WHAT TO DO

Once it has been determined that your business is eligible for Jobkeeper 3.0 there are several things that need to be done.

Like Jobkeeper 2.0 subsidy, Jobkeeper 3.0 has 2 tiers of eligible employees/business participants.

Tier 1 - These are eligible employees that worked more than 80 hours or more for the 4 weeks of pay periods prior to 1 March 2020 or prior to 1 July 2020. These employees are eligible to have **\$1,000** per fortnight reimbursed on a monthly basis (same process as the initial Jobkeeper).

For business participants, you will receive Tier 1 payments if you worked more than 80 hours or more for the 4 weeks prior to 1 March 2020. Business participants will have to complete a declaration to confirm their hours of their work.

Tier 2 - These are all other eligible employees/participants that are not Tier 1 employees. These employees/participants are eligible to have **\$650** per fortnight reimbursed on a monthly basis (same process as the initial Jobkeeper).

Please note that if you have employees, there is a requirement to notify staff of what rate of Jobkeeper 3.0 that they are eligible for.

As per current Jobkeeper guidelines special rules apply to 16 & 17 year old employees.

The ATO guidelines indicate that the business will have to retain documents to substantiate/confirm the number of hours worked within the test period. For employees this could be time sheets or payroll software reports.

For business participants you need to be able to prove that you were actively engaged in the running of your business.

NOMINATION OF RATE OF REIMBURSEMENT

The ATO have indicated that each business will have to nominate the rate/tier of reimbursement. Each month when claiming back the reimbursement through the business portal (as per the process for Jobkeeper 2.0) that there will be different classes of reimbursement tiers that can be chosen for each employee.

For those clients for whom we lodge your Jobkeeper claims, we will continue to get you to complete lodgment declarations on a monthly basis.

CLIENTS USING ACCOUNTING SOFTWARE

For those clients that use software, each software provider will be making changes to their software to enable it to cope with the changes that are being made for Jobkeeper 3.0. It is important that you complete any steps required by your software provider and the ATO. Please ensure that you read any notifications/blogs that your software providers send through to you.

OUR RECOMMENDATION

Step 1 – Compare your turnover for the December 2019 quarter against the December 2020 quarter. If your GST turnover for the December 2020 quarter is more than 70% of the December 2019 quarter you will **not be eligible** to Jobkeeper 3.0. If this is the case you don't have to do anything more for Jobkeeper 3.0.

If your turnover is down by more than 30% (based on December 2019 quarter) you will qualify for Jobkeeper 3.0. At this point we recommend you start to look at Step 2

Step 2 – We recommend that you start to review your payroll to determine which employees are Tier 1 and Tier 2 employees based on the number of hours worked for the period 2/2/20 – 29/2/20.

For those employees that fall into Tier 2 for the period 2/2/20 - 29/2/20, you also need to look at if they become Tier 1 employees for the period 2/6/20 – 30/6/20. If they worked more than 80 hours in either of those periods that are classed as Tier 1.

Step 3 – For those using software, start reading up on possible changes that you need to make to your records to enable the correct Jobkeeper Tier to be applied to your employees.

IMPORTANT DATES

If your business is eligible for Jobkeeper 3.0 you have until 31 January 2021 to register with the ATO for Jobkeeper 3.0 and make any top up payments for wages to eligible employees for the fortnights ended 17 January 2021 and 31 January 2021.