



1 April 2020

The Government's JobKeeper Payment Explained

On 30 March 2020, the Federal Government announced the introduction of the JobKeeper Payment. The payment is a wage subsidy paid by the Government to businesses significantly impacted by the Coronavirus. This will allow employers to continue paying their employees whether they are able to work or not. The Government will provide \$1,500 per fortnight (pf) per employee for up to six months to eligible businesses. The business must pass on the payment to eligible employees.

The first payments will be paid to eligible businesses in the first week of May. If you are self-employed, you may also be eligible for the payments.

Who is eligible for the JobKeeper Payment?

Employers

If you are an employer, you are eligible for JobKeeper Payment if your business:

- has a turnover of less than \$1 billion and turnover will be reduced by more than 30% relative to a comparable period a year ago (of at least a month), or
- has a turnover of \$1 billion or more and turnover will be reduced by more than 50% relative to a comparable period a year ago (of at least a month), and
- is not subject to the Major Bank levy.

What are the employer requirements for the JobKeeper Payment?

To qualify for JobKeeper Payment the employer must:

- self-assess whether it will have, or will experience, the required decline in turnover
- register their intention to apply for the JobKeeper Payment with the Australian Taxation Office (ATO) via this [link](#)
- provide the following information to the ATO:
 - the number of eligible employees employed as at 1 March 2020
 - the number of eligible employees currently employed, including those stood down or re-engaged
- ensure eligible employees are paid wages of at least \$1,500 pf (before tax) – this means those who were receiving less than \$1,500 pf will be paid increased wages
- notify eligible employees that they are receiving the JobKeeper Payment
- continue to provide monthly updates to the ATO, who will assess eligibility.

Self-employed

If you are self-employed you can apply for the JobKeeper Payment if:

- you do not have any employees
- your business meets the turnover tests.

To apply, you can register your interest to receive the JobKeeper Payment as self-employed via www.ato.gov.au from 30 March 2020.

What are the self-employed requirements for the JobKeeper Payment?

If you are self-employed without any employees you will need to:

- provide an ABN for your business
- nominate an individual to receive the payment
- provide the individual's Tax File Number
- provide a declaration as to your recent business activity
- provide a monthly update to the ATO to declare continued eligibility for the payments.

The ATO may assess eligibility using information provided in business activity statements, instalment activity statements, tax returns and single touch payroll systems.

What payments will eligible employees receive?

The following examples illustrate how the wage subsidies apply to payments to eligible employees, assuming the business qualifies for the JobKeeper Payment:

Example 1: Eligible employee who earns more than \$1,500 per fortnight

Arthur is an eligible permanent full-time employee receiving a salary of \$3,000 pf before tax and continues to be employed. Arthur will receive the same salary, however, the employer will receive \$1,500 per fortnight JobKeeper Payment to partially subsidise Arthur's salary as long as the business remains eligible. The business will continue to pay Superannuation Guarantee (SG) on Arthur's income.

Example 2: Eligible employee who earns \$1,500 or less per fortnight

Nora is a permanent part-time employee earning \$1,000 pf before tax and continues to be employed. The business will increase her wages to \$1,500 pf and will receive \$1,500 pf which fully subsidises Nora's salary. The business must pay SG on at least \$1,000 of Nora's income. It may choose to pay SG on the additional \$500 pf Nora receives.

Employees

If you are an employee, you are eligible for the JobKeeper Payment if:

- your employer is eligible for the JobKeeper Payment wage subsidy.
- you are currently employed (including if you are stood down or rehired)
- you were employed by the employer as at 1 March 2020
- you are employed full-time, part-time, or a long-term casual, that is, a casual employed on a regular basis for longer than 12 months at 1 March 2020
- you are aged 16 years or older
- you are an Australian citizen, holder of a permanent visa, a Protected Special Category Visa Holder, a non-protected Special Category Visa Holder who has been residing continually in Australia for 10 years or more, or a Special Category (Subclass 444) Visa Holder
- you are not in receipt of the JobKeeper Payment from another employer.

How do you know if your employer is eligible?

If your employer is eligible, they will notify you and all other employees who will receive the JobKeeper Payment.

Disclaimer:

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What will you receive?

If you're an eligible employee, you will receive a minimum of \$1,500 per fortnight, before tax.

Depending on your circumstances, you may receive \$1,500 per fortnight in a number of different ways.

- If you ordinarily receive \$1,500 per fortnight of income before tax, you will continue to receive your regular income according to your workplace arrangements. The JobKeeper Payments will subsidise part, or all of, your income.
- If you ordinarily receive less than \$1,500 in income per fortnight before tax, your employer must pay you \$1,500 per fortnight, before tax.
- If you have been stood down, that is, you can't be usefully employed and your employer is not required to pay your wages, your employer must pay you \$1,500 per fortnight, before tax.
- If you were employed on 1 March 2020, subsequently ceased employment and then were re-employed by the same eligible employer, you will receive \$1,500 per fortnight, before tax.

Will my employer still pay compulsory super contributions?

Your employer still needs to pay your compulsory super contributions known as the Superannuation Guarantee. However, your employer is not required to pay Superannuation Guarantee on any JobKeeper Payment that exceeds your original fortnightly pay.

For example, if your original fortnightly pay was \$1,000 and you now receive the \$1,500 fortnightly JobKeeper Payment, your employer is only required to pay Superannuation Guarantee on \$1,000.

What are your obligations?**Employees**

If you are an employee with one employer, you will not have any further obligations. However, you will have additional obligations if:

- you have multiple employers, in which case, you must notify the employer that is your primary employer
- you are not an Australian citizen, in which case, you must notify your employer of your visa status to allow your employer to determine if you are an eligible employee
- you are currently in receipt of an income support payment, then you should advise Services Australia of a change in your circumstances online at my.gov.au or by phone

Question and Answer

Q: Will I receive the JobSeeker Payment if I have multiple employers and I continue to be paid by one employer?

A: If you have multiple employers, only one employer will be eligible to receive the payment. You will need to notify your primary employer to claim the JobKeeper Payment on your behalf. If you claim the tax-free threshold with an employer, this will, in most cases be sufficient notification that the employer is your primary employer.

If your primary employer is eligible, you will receive the minimum JobKeeper Payment of \$1,500 per fortnight from that employer.

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Example - Michelle works multiple jobs

Michelle currently works two permanent part-time jobs, one at an art gallery during weekdays, and the other at the local café on the weekend. Due to the impact of the Coronavirus, the gallery has

closed, and Michelle has been stood down without pay under the *Fair Work Act*. Michelle continues to work at the café delivering take-away orders. Michelle can only receive the JobKeeper Payment once, from the employer from whom she nominates as her primary employer. As Michelle only claims the tax-free threshold from her job at the art gallery, this will be treated as her nomination of the art gallery as her primary employer. Assuming the art gallery is eligible for the JobKeeper Payment, the art gallery will pass the JobKeeper Payment on to Michelle. So, she will receive \$1,500 per fortnight before tax. During the application process, the art gallery will notify the ATO that Michelle receives the payment from them. The art gallery is also required to advise Michelle that she has been nominated to the ATO as an eligible employee to receive the payment. The café is not eligible to receive the JobKeeper Payment for Michelle. The income that Michelle receives from her job at the café does not change her entitlement to the JobKeeper Payment that she receives from the art gallery.

For further information about the JobKeeper Payment, employees should contact their employer or, if you're self-employed or an employer, the ATO.

If you have any further questions, please contact [\[my office\]](#).

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