



Government Stimulus # 3

Jobkeeper Payment

On 30 March 2020, the Government announced the **Jobkeeper Payment** as part of the next stage of the stimulus package.

Note: At the time of writing, legislation had not been drafted. Therefore, we expect more detail to become available on this support measure when legislation is introduced to Parliament to give effect to this measure. We will provide more information to you once the Bill is available.

The Government has indicated that it is working with the Opposition to recall Parliament to facilitate the introduction of legislation to support this measure at which time further details will be available.

The Government's [fact sheet](#) is available with the current information.

Q: What is JobKeeper?

The JobKeeper payment is a \$1,500 (gross) fortnightly payment per eligible employee of a business. The amount will be paid to the employer and is designed to assist employers to continue paying their employees. Eligible employers will receive payments from the beginning of May and payments will be backdated to 30 March 2020. The payments will be available for a maximum of six months.

Q: What if the employee's income was or is ordinarily less than \$1,500 per fortnight?

The full amount of JobKeeper must be paid to eligible employees. This means that if the person's ordinary gross fortnightly earnings are less than this amount, they will start to receive increased fortnightly payments from their employer. Alternatively, where an employee's ordinary gross fortnightly income was more than \$1,500, the employer can provide a top up.

For example, if the employee earns \$1,000 per fortnight and the employer receives the JobKeeper payment, the employee should receive their usual salary of \$1,000 plus an additional \$500. However, if an employee was earning more than the JobKeeper payment, this amount assists in meeting part of the employee's salary, as this payment is aimed at subsidising the employee's salary.



Q: Who is an eligible employee?

The payment will be available for each employee who was on the books as at 1 March 2020 and who is retained, or continues to be engaged. This includes those who have been stood down but not those who have been made redundant. It will, however, be available if a person is subsequently rehired, as long as they were also on the books on 1 March.

Other eligibility criteria:	Eligible if:
Age	At least 16
Residency status	An Australian citizen Holder of permanent visa Holder of a Protected Special Category Visa Holder A non-protected Special Category Visa Holder who has been residing continuously in Australia for 10 years or more, or A Subclass 444 Visa Holder (the Government has indicated other groups may be included)
Employment terms	Available to full-time and part-time workers, as well as casuals who had been employed on a regular basis for at least 12 months.
Other	Not in receipt of JobKeeper from another employer

Q: Who is an eligible employer?

Eligible employers not-for-profit and self-employed individuals (businesses without employees) that meet the turnover test. In relation to self-employed individuals, no details have been provided relating to the structure of the business (eg sole trader, company or trust).



An *employer* is eligible if the business has turnover of:

- less than \$1 billion which has reduced by more than 30% compared to a comparable period a year ago (of at least a month),

or

- \$1 billion or more and turnover has reduced by more than 50% compared to a comparable period a year ago (of at least a month),
However, the business cannot be subject to the major bank levy.

Q: How does an eligible employer apply?

Eligible employers can [register their interest](#) in applying for the JobKeeper payment via the ATO website from 30 March 2020. It has not been confirmed when formal applications will be available.

Employers with employees will be able to apply online and identify eligible employees. On a monthly basis updates will need to be provided to the ATO but the details of these updates is not yet known. The employer will receive the payment and be responsible for ensuring eligible employees receive the JobKeeper payment of \$1,500 per fortnight (before tax).

Q: What does a business without employees (eg sole trader) need to do?

Employers without employees will need to provide the business' ABN, provide a declaration on recent business activity, nominate who will receive the payment and that person's tax file number. Payments will be directed to that person's bank account. On a monthly basis, the employer will need to make a statement to the ATO that they are still eligible to receive the payment.

Q: Is super guarantee payable on JobKeeper payments?

Super guarantee is not payable on JobKeeper payments. This means if an employee is receiving more than their usual salary because of the JobKeeper payment, SG will only be payable on the employee's ordinary salary amount. On the other hand, where the employee's salary is only partially subsidised by the JobKeeper payment, the employer is still liable to pay superannuation guarantee on the full salary.

It is not yet understood how this will be determined for eligible casual workers whose fortnightly hours were subject to fluctuation.



Q: How is the payment treated for social security and tax purposes?

JobKeeper payment is treated as income for social security purposes and may impact eligibility for income support. It is expected that this payment is taxable income of the employee, however, this has not been clarified.

Q: Can an employee be receiving both JobKeeper and the JobSeeker Payment from Centrelink?

Because the JobKeeper payment is assessable for social security purposes, individual's who start to receive JobKeeper will need to report any change in their income to Services Australia (formally Department of Human Services).

The current income test cut off point for JobSeeker payment is \$1,086.50 pf for a single person with no dependants. This means that a single person receiving JobKeeper is effectively ineligible for JobSeeker payment due to the income test. For more information on the income test cut off points for JobSeeker, [see the Services Australia website](#), but please also see our news item on the changes announced to the income test for JobSeeker where the person has a partner.