

Special Members Update - JobKeeper Payments

Following our earlier special members updates regarding Payroll Tax relief and Covid-19, further announcements have been made by the Federal government in regards to stimulus packages available to employers in order to keep their workers employed throughout this crisis period. In this special member update, we will specifically be looking at the new JobKeeper payments subsidies.

For business that have been significantly impacted by the Coronavirus, access to a wages subsidy will be made available so that these businesses can keep paying employees'. Under the program, claims for a fortnightly payment of \$1,500 per eligible employee will be made available from 30 March 2020, for a maximum of six months.

Employers (including non-for-profits) will be eligible for the subsidy if:

- **their business has a turnover of less than \$1 billion and their turnover will be reduced by more than 30 per cent relative to a comparable period a year ago (of at least a month); or**
- **their business has a turnover of \$1 billion or more and their turnover will be reduced by more than 50 per cent relative to a comparable period a year ago (of at least a month); and**
- **the business is not subject to the Major Bank Levy**

Employers will need to make an application to the ATO and provide supporting information demonstrating a downturn in their business. In addition, employers must report the number of eligible employees employed by the business on a monthly basis.

The \$1,500 will be a flat rate made available to all employees, whether fulltime, part-time or casual and irrespective of the employees' earnings. Casuals must have been employed for more than 12 months (as at 1 March 2020) with the business to be eligible. The payment is available for Australian Residents, New Zealand Citizens holding a subclass 444 special category visa, and migrants who are eligible for Job Seeker payments.

The payment is 'before tax', and employers will not have to pay the superannuation guarantee on the wage subsidy passed on to its employees.



The payment will commence at some time in early May, and will be backdated to the date of the announcement (30 March), and will apply to employees as of 1 March. Therefore, employees who have been stood down after 1 March will be eligible.

There are a number of employers who have made positions redundant in the current circumstances – whilst the JobKeeper provisions allow for a worker whose role was made redundant to be re-employed, there may be implications for those workers who received a genuine redundancy payment. These employees MAY be required to repay any genuine redundancy payments – we are currently seeking clarification on this matter from the ATO.

More information of this program can be accessed via the following link -

https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet_supporting_businesses_1.pdf

Your employees may also have questions regarding the JobKeeper payment. You may wish to provide them with the following factsheet -

https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet_Info_for_Employees_0.pdf

Look out for our regular members update next week.