

Special Members Update – JobKeeper changes and further announcements

The rules governing the application and administration of the JobKeeper subsidy program are continuing to be updated and changed regularly. This special members update aims to inform our members of the most recent changes, and clarify aspects of the legislation which has not been clear.

What is included in the \$1,500 for the purposes of determining top-up payments

| Included | Excluded |
|--|--|
| <ul style="list-style-type: none"> • Gross salary and wages • Paid and unpaid absences, including stand-down periods • Allowances • Overtime, shift and penalty rates paid • Bonuses and commissions • Approved salary sacrifice arrangements (consider only the payment PRIOR to the deduction of the sacrificed amount) • Separately itemised allowances INCLUDING those that are less than the ATO reasonable amount and/or not reported: <ul style="list-style-type: none"> ○ Cents per kilometre ○ Laundry ○ Award transport payments that are deductible ○ Overtime meal allowances ○ Domestic travel and all overseas accommodation allowances • Other allowances • Lump Sum A, B and E payments (only) • Employment Termination Payments (ETPs) – taxable components | <ul style="list-style-type: none"> • Government Paid Parental Leave – Centrelink • Workers Compensation absence (not able to work) • Reimbursements – as these are a precise amount that reimburses an expense, verifiable by receipts, which was (or will be) incurred by the employee and would not be reported through STP • Directors' Fees • Lump Sum D payments • Exempt foreign incomes • Employment Termination Payments (ETPs) - tax free components |

Workers Compensation and Government paid parental leave

If an employee commences government PPL or workers compensation part way through an ATO defined fortnight, they are still eligible for the JobKeeper payment for that fortnight. The government PPL or workers compensation payments received for the part-fortnight WILL NOT count towards the \$1,500 for the purposes of determining any top-up payment.

The same applies with an employee ceases receiving government PPL or workers compensation payments part way through an ATO defined fortnight.

New reporting requirement for ending JobKeeper eligibility (FINISH notification to ATO)

The ATO has changed the requirement for which fortnight to report when an employee ceases eligibility for the JobKeeper payment (e.g. if they terminate employment, commence workers compensation or government PPL).

The correct way to now report the Finish fortnight is to report the fortnight AFTER the employee has terminated. For example, if the employees last day of work is in FN07, the you still have to pay them at least \$1,500 in FN07, but then you report their finish period as JOBKEEPER-FINISH-FN08, as FN08 is the period which they are no longer eligible.

A reminder of the ATO fortnights and their FINISH codes:

| FN | Dates | Allowance Description |
|----|-----------------------|-----------------------|
| 01 | 30/03/2020-12/04/2020 | JOBKEEPER-FINISH-FN01 |
| 02 | 13/04/2020-26/04/2020 | JOBKEEPER-FINISH-FN02 |
| 03 | 27/04/2020-10/05/2020 | JOBKEEPER-FINISH-FN03 |
| 04 | 11/05/2020-24/05/2020 | JOBKEEPER-FINISH-FN04 |
| 05 | 25/05/2020-07/06/2020 | JOBKEEPER-FINISH-FN05 |
| 06 | 08/06/2020-21/06/2020 | JOBKEEPER-FINISH-FN06 |
| 07 | 22/06/2020-05/07/2020 | JOBKEEPER-FINISH-FN07 |
| 08 | 06/07/2020-19/07/2020 | JOBKEEPER-FINISH-FN08 |
| 09 | 20/07/2020-02/08/2020 | JOBKEEPER-FINISH-FN09 |
| 10 | 03/08/2020-16/08/2020 | JOBKEEPER-FINISH-FN10 |
| 11 | 17/08/2020-30/08/2020 | JOBKEEPER-FINISH-FN11 |
| 12 | 31/08/2020-13/09/2020 | JOBKEEPER-FINISH-FN12 |
| 13 | 14/09/2020-27/09/2020 | JOBKEEPER-FINISH-FN13 |

JobKeeper enrolment extension

The time to enrol in JobKeeper has been extended until 31 May for employers wishing to claim for fortnights in April and May. Please note that you still need to have paid your employees the JobKeeper payments for April by the end of April in order to receive the reimbursement.

Further information can be found here: <https://www.ato.gov.au/general/jobkeeper-payment/>

Employer eligibility alternative test

If an employer doesn't meet the eligibility requirements, there are alternative eligibility tests available for some circumstances. Further information can be found here:

<https://www.ato.gov.au/General/JobKeeper-Payment/In-detail/Applying-the-turnover-test/?anchor=Alternativetest>

On Friday 24 April the Treasurer announced further changes to the JobKeeper rules will be coming.

Other coming changes announced include:

- **‘One in, all in’ principle** - 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 of 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. As noted in the explanatory statement to the existing rules, this ‘one in, all in’ principle is already a key feature of the scheme and will be made clearer in the rules.
- **Full time students aged 16 and 17 years old** - The rules will provide that full-time students who are 17 years old and younger, and who are not financially independent, are not eligible for the JobKeeper Payment. This clarification will apply prospectively, which would mean an eligible employer that has already met the wage condition of paying such an employee \$1,500 for a fortnight could be entitled to a JobKeeper Payment in arrears for that fortnight.
- Alternative test for employees employed through a special purpose entity, rather than an operating entity
- Charities and the treatment of government revenue
- Religious practitioners
- International Aid Organisations
- Universities

The announcement regarding the above changes can be found here:

<https://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/media-releases/jobkeeper-update>

Further to this, Treasury have updated their Q&A documents, which can be found here:

https://treasury.gov.au/sites/default/files/2020-04/JobKeeper_payment_frequently_asked_questions.pdf