

## JobKeeper payments to keep businesses and staff together

If your work is looking shaky, the good news is that parliament has passed legislation to give businesses a fortnightly wage subsidy of \$1500 (before tax) to keep business and staff together. If you've already lost your job, you should speak to your employer about being rehired on the basis of this new payment option.

To get this payment, **your employer will need to register** with the ATO at this website:

<https://www.ato.gov.au/general/gen/JobKeeper-payment/>.

It's important to note that the money won't turn up in your employer's bank account until 1 May and will be paid a month behind after that. (That is, eligible payments for April will be paid by the ATO in May, eligible payments for May will be paid in June, and so on.) What this means for businesses with cash flow problems is unclear. The suggestion available at this point has been that employers should talk to their bank, presumably about an overdraft or line of credit. We may find that some businesses may hold off paying until the money hits their accounts but it's unclear whether that's allowed.

There are some **eligibility criteria** for both employees and employers:

### Employees

- You need to be currently employed either full time or part time (including stood down or re-hired).
- If you're casual, you need to have been working regularly for at least one year with the business.
- You need to be 16 years or older at 1 March.
- You can't get JobKeeper payments from more than one employer and you can't get both JobKeeper and JobSeeker (for the unemployed) payments.
- You are an Australian citizen, the holder of a permanent visa, or a Special Category (Subclass 444) Visa Holder as at 1 March 2020. You also need to be a resident for Australian tax purposes on 1 March 2020.

Sole traders, self-employed people, trusts and partnerships are also eligible (good news for small business owners who just have themselves as a worker).

### Employers

For a business to be eligible, it needs to have had or be likely to have:

- a drop in turnover of 30% or more (when the turnover is less than \$1 billion), or
- a drop in turnover of 50% or more (when the turnover is more than \$1 billion), or
- a drop in turnover of 15% or more if the business is a charity or not-for-profit, and
- not be subject to the Major Bank Levy.

Non-government schools and private vocational education providers are eligible.

Your employer will need financial records to show the current drop in turnover alongside the corresponding period last year. How this will work is unclear but will probably use previously submitted BASs.

## How it will work

Your employer will have to let you know that you've been nominated as an eligible employee. The ATO will pay \$1500 per eligible employee to your employer a month behind.

- **If you earn more than \$1500 a fortnight and are still working**, your employer will top-up the money received from the ATO to bring you in line with your usual pay. You'll continue to get your usual super payment. Your employer will still have to take out the usual amount of tax.
- **If you earn less than \$1500 a fortnight and are still working**, you will get the full \$1500 per fortnight from your employer, less tax. Your employer cannot keep a portion of the payment made to them from the ATO. Your employer must still pay you the super you would normally earn (e.g. if you normally earned \$800 a fortnight in ordinary wages, you'll get super at 9.5% of \$800) but they are able to pay super on the full \$1500 if they wish.
- **If you've been stood down**, you will receive the \$1500 per fortnight. Your employer can, but doesn't have to, top up your payment if you normally earned more than \$1500 per fortnight. It appears that super will not be payable as the payment is not being paid for work being undertaken.

## Other places to read

[https://treasury.gov.au/sites/default/files/2020-04/Fact\\_sheet\\_Info\\_for\\_Employees\\_0.pdf](https://treasury.gov.au/sites/default/files/2020-04/Fact_sheet_Info_for_Employees_0.pdf)

[https://treasury.gov.au/sites/default/files/2020-04/Fact\\_sheet\\_Info\\_for\\_Employers\\_0.pdf](https://treasury.gov.au/sites/default/files/2020-04/Fact_sheet_Info_for_Employers_0.pdf)

<https://www.servicesaustralia.gov.au/individuals/subjects/affected-coronavirus-covid-19>

<https://www.ato.gov.au/general/gen/JobKeeper-payment/>

### *Disclaimer:*

*The information sheet is general and not intended to substitute for professional advice. Please also note that the JobKeeper legislation has just been passed so some details need further clarification.*

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