



COVID-19 JobKeeper Payment FAQ's

Frequently Asked Questions – JobKeeper Payment

Q - When will the JobKeeper Payment commence?

ANSWER

The JobKeeper Payment will be available from 30 March 2020.

Q - How long will the JobKeeper Payment last for?

ANSWER

The JobKeeper Payment will be available for the period until 27 September 2020.

Q - How do I know if my business qualifies for JobKeeper?

ANSWER

Employers will be eligible for the subsidy if:

- their business has an aggregated turnover of less than \$1 billion (for income tax purposes) and estimate their GST turnover has fallen or will likely fall by 30 per cent or more; or
- their business has an aggregated turnover of \$1 billion or more (for income tax purposes) and estimate their GST turnover has fallen or will likely fall by 50 per cent or more; or
- their business is not subject to the Major Bank Levy.

Additionally, a company that is in liquidation, or a partnership, trust or sole trader in bankruptcy, will not be eligible.

Q - How do I work out which employees are eligible?

ANSWER

You will only be able to claim the JobKeeper payment for eligible employees that were in your employment on 1 March 2020 and continue to be employed while you are claiming the JobKeeper payment. An eligible employee is an employee who:

- is currently employed by the eligible employer (including those stood down or re-hired);
- is a full-time or part-time employee, or a casual employed on a regular and systematic basis for longer than 12 months as at 1 March 2020;
- is a permanent employee of the employer, or if a casual employee, not a permanent employee of any other employer;
- was aged 16 years or older at 1 March 2020;
- was an Australian citizen, the holder of a permanent visa, or a Special Category (Subclass 444) Visa Holder at 1 March 2020;
- was a resident for Australian tax purposes on 1 March 2020; and
- is not in receipt of a JobKeeper Payment from another employer.

You will be required to advise your employees whether you have nominated them as an eligible employee for the purposes of the payment.

Q - Do we need to register all employees for JobKeeper or list only those that qualify?

ANSWER

You can only claim JobKeeper payment for eligible employees if you pay the \$1,500 per fortnight (before tax) to each eligible employee.

Q - Do workers have to still turn up to work to get the JobKeeper payment?

ANSWER

This is an area where we have had a lot of enquiries and as far as we understand things, employees do have to turn up to work when on JobKeeper (hence the name). When I spoke to Michael O'Connor of the CFMMEU he was under the impression that if they were receiving JobKeeper and they hadn't been stood down then they had to turn up to work otherwise it would be deemed an abandonment of their employment. Again, we reiterate that it comes down to clear communication (verbally and in writing) with all employees.

Q - Can I reduce employees' hours or days of work whilst receiving the JobKeeper payment?

ANSWER

The new provisions enable a qualifying employer to direct an employee to work fewer hours or days (including no hours).

These directions are called 'JobKeeper enabling stand downs directions'. Employers can only give employees JobKeeper enabling stand down directions if the employee can't be usefully employed for their normal days or hours because of changes to business attributable to the coronavirus pandemic, or government initiatives to slow its transmission (for example, because of an enforceable government direction).

The direction must also be implemented safely, having regard to the nature and spread of coronavirus.

A JobKeeper enabling stand down direction must be in writing. Employers also need to:

- make sure the direction is reasonable in the circumstances, including (but not limited to) considering the employee's caring responsibilities
- notify their employees and consult their employees (or their representatives) at least 3 days before issuing the direction (unless the employee agrees to a shorter timeframe)
- keep a written record of the consultation.

If an employee is taking paid or unpaid leave (such as annual leave) or is otherwise entitled to be absent from work (such as on a public holiday), the direction doesn't apply. However, if the employee normally receives a leave payment that would be less than the JobKeeper payment for a fortnight the employee is still entitled to an amount that is equal to the JobKeeper payment for the fortnight.

Example: Stood down for 20 hours, JobKeeper payment is less than normal pay

Henry usually works full-time, 38 hours a week (76 hours a fortnight). His employer qualifies for the JobKeeper scheme and is receiving payments of \$1500 for Henry each fortnight.

Due to coronavirus, as there are only 18 hours of work to perform per week (36 per fortnight), Henry's employer can't usefully employ him for the remaining 20 hours a week. His employer uses the new JobKeeper stand down provisions to stand Henry down for the 20 hours. Henry continues to work 18 hours a week.

Henry is usually paid \$2000 (before tax) a fortnight for 76 hours of work. For 36 hours, his pay would normally be \$947 (before tax). Under the JobKeeper scheme, Henry's employer has to pay him the full \$1500 (before tax) for the fortnight but doesn't have to pay any more than that.

Q - Can we get workers doing different duties such as painting and maintenance?

ANSWER

The new provisions enable a qualifying employer to direct an employee to change their duties and work location. This includes working from home or from a different location. These directions are also referred to as 'JobKeeper enabling directions'.

Employers need to make sure:

- the direction is reasonable, including considering the employee's caring responsibilities
- the modified duties are within the employee's skill and competency, and the employee has the required licences or qualifications
- the duties are safe considering the nature and spread of coronavirus
- the duties are reasonably within scope of the business's operations
- any new location is within a reasonable travelling distance.

The direction must be in writing. Employers must notify their employees and consult with them (or their representatives) at least 3 days before issuing the direction (unless the employee agrees to a shorter timeframe). They also need to keep a written record of the consultation.

An employee's hourly base pay rate cannot be reduced as a result of a JobKeeper enabling direction.

Important to note here about 'fairness' criteria such as washing boss's or family's car not being acceptable. Employees are not slaves and all work should still focus on the actual business

Q - My business is still operating, and my employees are still working. How will my payments to them be affected?

ANSWER

In many cases, your payments and obligations to eligible employees will not change. Your business, if eligible, will receive a \$1,500 per fortnight subsidy to support their continued employment. However, if any eligible employee currently earns less than \$1,500 before tax per fortnight, you will need to pay them \$1,500 per fortnight before tax to receive the JobKeeper Payment.

Q - Do I continue to pay Superannuation entitlements for those receiving the JobKeeper Payment?

ANSWER

You must pay a minimum of \$1,500 per fortnight to your eligible employees, withholding income tax as appropriate. The \$1,500 per fortnight per employee is a before tax amount. Where an employee is paid more than \$1,500 per fortnight, the employer's superannuation obligations will not change. Where an employee is having their wages topped up to \$1,500 per fortnight by the JobKeeper Payment, it will be up to the employer if they want to pay superannuation on any additional wages paid by the JobKeeper Payment.

Q - I let my employees go after 1 March 2020. If I re-hire them, am I eligible to receive the payment?

ANSWER

Yes. You can receive the JobKeeper Payment if you re-hire any eligible employees you had at 1 March 2020. You can receive the payment even if you then need to immediately stand them down, so long as they remain employed.

Q - If someone started as a Full-time or Part-time employee after the 1st March, do they qualify for JobKeeper?

ANSWER

No. The employee must have been engaged as of 1 March 2020.

Q - If a casual has worked with us for less than twelve months, do they qualify for the JobKeeper?

ANSWER

No, a casual can only be eligible if employed on a regular and systematic basis for longer than 12 months as at 1 March 2020.

Q - What if I pay my employees less than \$1,500 per fortnight before tax?

ANSWER

To be able to claim the JobKeeper payment for an eligible employee, that employee must be paid a minimum of \$1,500 income per fortnight, before tax is withheld. If you want to claim the subsidy for an eligible employee and they have not been paid \$1,500 per fortnight since 30 March 2020, employers must pay a 'top-up' payment to employees so that they are eligible. The ATO will provide further guidance on how this will work. The employer will be reimbursed \$1,500 per fortnight for each eligible employee. Employers cannot pay their employees less than \$1,500 per fortnight and be entitled to a payment for that employee.

Q - What if I pay my employees more than \$1,500 per fortnight before tax?

ANSWER

If the eligible employee is paid more than \$1,500 a fortnight before tax, the employer will only be reimbursed \$1,500 per fortnight.

Q - Can I lay someone off whilst they are on JobKeeper?

ANSWER

The Fair Work Act protects employees from being dismissed for a number of reasons, including:

- because they are temporarily away from work because they are sick (such as with coronavirus)
- discrimination
- any reason that is harsh, unjust or unreasonable or another protected right.

However, normal rules of dismissal in accordance with their EBA, Contract or Timber Industry Award do apply as long as you take into consideration the above.

Q - What happens if my employee resigns?

ANSWER

If an employee for whom you are receiving the JobKeeper Payment resigns, you must notify the ATO. You may need to refund some money to the ATO.

Q - Do I register now or wait until business drops by 30% before registering?

ANSWER

You can apply for the payment if you reasonably expect that your GST turnover will fall by 30 per cent or more (or 50 per cent or more for businesses with an aggregated turnover of \$1 billion or more) relative to your GST turnover in a corresponding period a year earlier. The ATO will provide guidance about self-assessment of actual and anticipated falls in turnover.

Q - It is unlikely that my turnover will decrease by 30 per cent in the coming month, but can I apply later if my turnover decreases in one of the subsequent months?

ANSWER

If a business does not meet the turnover test as at 30 March 2020, the business can start receiving the JobKeeper Payment at a later time once the turnover test has been met. In this case, the JobKeeper Payment is not backdated to the commencement of the scheme. Businesses can receive the JobKeeper Payments up to 27 September 2020.

Q - How do I register for JobKeeper?

ANSWER

The JobKeeper Payment will be administered by the ATO. If you want to participate, you can register your interest on the ATO website to keep updated on information about the JobKeeper Payment. If you register you will receive updates and information from the ATO about how and when to claim the JobKeeper Payment.

[JobKeeper Payment - Register Your Interest](#)