



COVID-19 JobKeeper 2.0

Breaking Down the Extension of JobKeeper and New Eligibility Rules

The Government is extending the JobKeeper Payment by a further six months to March 2021. Support will be targeted to businesses and not-for-profits that continue to be significantly impacted by the Coronavirus. The payment rate will be reduced and a lower payment rate will be introduced for those who work fewer hours. Eligibility rules have been eased as a response to the situation in Victoria, now businesses will only need to show that their GST turnover had fallen over one quarter, instead of multiple, to be eligible for the scheme's extension. Employees will also qualify if they were employed on July 1, rather than March 1.

Summary

- The JobKeeper Payment, which was originally due to run until 27 September 2020, will now continue to be available to eligible businesses until 28 March 2021.
- Payment rates are now divided into two tiers, for employees working greater and less than 20 hours per work
- The payment rate of \$1,500 per fortnight for eligible employees and business participants will be reduced to \$1,200 per fortnight from 28 September 2020
- And reduced again to \$1,000 per fortnight from 4 January 2021.
- From 28 September 2020, businesses seeking to claim the JobKeeper Payment will only be eligible if they meet the relevant turnover test in the September quarter.
- Businesses must use actual GST turnover test (rather than projected GST turnover)
- From January 4, businesses will only be eligible if they meet the relevant turnover test in the December quarter.
- The relevant date of employment will move from 1 March to 1 July 2020 for eligible employees

JobKeeper Payment Rate

Payment rates have been split into two tiers:

- One rate for all eligible employees who, in the four weeks of pay periods before 1 March 2020, were working in the business for 20 hours or more a week on average, and for eligible business participants who were actively engaged in the business for 20 hours or more per week on average in the month of February 2020 (i.e. Full-time workers).
- A lower rate for other eligible employees that worked fewer than 20 hours per week on average in the month of February 2020 (i.e. Part-time workers)

The current fortnightly rate will stay \$1500 until September 27.

From 28 September 2020 to 3 January 2021, the JobKeeper Payment rates will be:

- \$1,200 per fortnight for > 20 hours per week
- \$750 per fortnight < 20 hours per week

From 4 January 2021 to 28 March 2021, the JobKeeper Payment rates will be:

- \$1,000 per fortnight
- \$650 per fortnight

Businesses and not-for-profits will be required to nominate which payment rate they are claiming for each of their eligible employees (or business participants).

Eligible Employers

To be eligible for JobKeeper Payments under the extension, businesses and not-for-profits will still need to demonstrate that they have experienced a decline in turnover of:

- 50 per cent for those with an aggregated turnover of more than \$1 billion
- 30 per cent for those with an aggregated turnover of \$1 billion or less,

If a business or not-for-profit does not meet the additional turnover tests for the extension period, this does not affect their eligibility prior to 28 September 2020.

Eligible Employees

The eligibility rules for employees remains unchanged. This means employees are eligible if they:

- are currently employed by the eligible employer (including those stood down or re-hired)
- were employed by the employer at 1 July 2020
- are full-time, part-time, or long-term casuals (a casual employed on a regular basis for longer than 12 months as at 1 July 2020)
- were aged 18 years or older at 1 July 2020 (if they were 16 or 17 they can also qualify for fortnights before 11 May 2020, and continue to qualify after that if they are independent or not undertaking full time study)
- are an Australian citizen, the holder of a permanent visa, a Protected Special Category Visa Holder, a non-protected Special Category Visa Holder who has been residing continually in Australia for 10 years or more, or a Special Category (Subclass 444) Visa Holder, and
- are not in receipt of a JobKeeper Payment from another employer.

If your employees receive the JobKeeper Payment, this may affect their eligibility for payments from Services Australia as they must report their JobKeeper Payment as income.

More Information

Further information about how the JobKeeper Payment works is available at www.ato.gov.au/general/JobKeeper-Payment.

Changes to JobKeeper payments

Current fortnightly rate will stay at **\$1500** until **September 27**

From September 28 - January 3, 2021



Full-time workers will receive **\$1200** per fortnight



Part-time workers will receive **\$750** per fortnight

From January 4 - March 28, 2021



Full-time workers will receive **\$1000** per fortnight



Part-time workers will receive **\$650** per fortnight