

CLIENT ALERT AUGUST 2020

JOBKEEPER EXTENSION ELIGIBILITY CRITERIA RELAXED

On 21 July 2020, the Government announced its plan to extend the JobKeeper Payment scheme from 27 September 2020 to 28 March 2021, but with reduced payment rates and tightened eligibility criteria. Refer to [HCQ Client Alert](#) for more detail on this announcement.

On 7 August 2020, further changes were announced relaxing the proposed rules to make it easier for organisations and employees to qualify for the JobKeeper Payment extension.

Decline in turnover test relaxed

Under the Government's 21 July 2020 announcement, businesses and not-for-profits intending to claim the JobKeeper extension payments from 28 September 2020 to 28 March 2021 were required to show a decline in turnover in all quarters since June 2020. Under the changes announced on 7 August 2020, businesses and not-for-profits will only need to reassess their eligibility based on their turnover as follows:

First JobKeeper Payment extension period of 28 September 2020 to 3 January 2021:

- Actual GST turnover has significantly fallen in the September quarter 2020 (July, August, September) relative to the September quarter in 2019.

Second JobKeeper Payment extension period of 4 January 2021 to 28 March 2021:

- Actual GST turnover has significantly fallen in the December 2020 quarter (October, November, December) relative to the December quarter in 2019.

The level of turnover decline required to meet the above eligibility has remained the same as the existing rules:

- 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; or
- 15 per cent for Australian Charities and Not-for-profits Commission-registered charities (excluding schools and universities).

Date of employment expanded

Previously, an eligible employee must have been employed on 1 March 2020 to be eligible for JobKeeper payments.

From 3 August 2020, the relevant date of employment will move from 1 March to 1 July 2020, increasing employee eligibility for the existing scheme and the extension.

Employees are eligible in the extension period if they:

- are currently employed by an eligible employer (including if you were stood down or rehired)
- were for the eligible employer either a full-time, part-time, fixed-term or long-term casual employee at 1 July 2020 and not a permanent employee of any other employer
- were aged 18 years or older at 1 July 2020 (if you were 16 or 17 you can also qualify if you are independent or not undertaking full time study)
- were an Australian resident as at 1 July 2020
- were not in receipt of government parental leave, Dad and partner pay or a payment in accordance with Australian worker compensation law for total incapacity for work.

Payment rates unchanged

The reduced payment rates announced on 21 July 2020 remain unchanged. The rates, incorporating the expanded date of employment, are as follows:

From 28 September 2020 to 3 January 2021:

- \$1,200 per fortnight for all eligible employees who were working in the business or not-for-profit for 20 hours or more a week on average in the four weeks of pay periods before either 1 March 2020 or 1 July 2020, and for eligible business participants who were actively engaged in the business for 20 hours or more per week on average;
- \$750 per fortnight for other eligible employees and business participants.

From 4 January 2021 to 28 March 2021:

- \$1,000 per fortnight for all eligible employees who were working in the business or not-for-profit for 20 hours or more a week on average in the four weeks of pay periods before either 1 March 2020 or 1 July 2020, and for eligible business participants who were actively engaged in the business for 20 hours or more per week on average;
- \$650 per fortnight for other eligible employees and business participants.

Where an employee was eligible at 1 March 2020 and 1 July 2020, the period with the higher number of hours is to be used.

[Further detail can be found in the updated Treasury fact sheet here.](#)

Note the Government has not enacted legislation to effect the above, and this is expected shortly. HCQ will keep you updated once the legislation has been enacted.

If you would like more information or have questions about JobKeeper, please contact our office:

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