

CLIENT ALERT

SEPTEMBER 2020

JOBKEEPER EXTENSION STARTS 28 SEPTEMBER, HERE IS WHAT YOU NEED TO KNOW.

The original JobKeeper Payment scheme ends on 27 September 2020. Those needing further support will need to reassess their eligibility and prove an actual decline in turnover to be eligible for the JobKeeper Extension.

To receive JobKeeper from 28 September 2020, eligible employers need to reassess their decline in turnover with reference to actual GST turnover for the September 2020 quarter (for JobKeeper payments between 28 September to 3 January 2021), and again for the December 2020 quarter (for payments between 4 January 2021 to 28 March 2021) compared to the prior corresponding quarters in 2019.

New JobKeeper Payment Rates

From 28 September 2020, the payment rate for JobKeeper will taper from the flat rate of \$1,500 and split into two tiers at a higher and lower rate. These rates are outlined in the below table:

JobKeeper payment	28 September to 3 January 2021	4 January 2021 to 28 March 2021
Tier 1 - Worked 80 hours or more in the reference period <i>(see below table)</i>	\$1,200 per fortnight per employee or business participant	\$1,000 per fortnight per employee or business participant
Tier 2 - Worked less than 80 hours in the reference period <i>(see below table)</i>	\$750 per fortnight per employee or business participant	\$650 per fortnight per employee or business participant

To work out the reference period for assessing if an employee has worked more or less than 80 hours, please see the below table:

	Reference period	Hours worked
Eligible employees	The 28 days finishing on the last day of the last pay period that ended before either: <ul style="list-style-type: none"> 1 March 2020, or 1 July 2020. 	Actual hours worked including any hours for which they received paid leave
Eligible business participants	February 2020 (29 days)	Active engagement in the business.

As per the original JobKeeper employee eligibility requirements, employers will still be required to satisfy the **wage condition**. To be eligible for a JobKeeper payment, the employer must pay at least the amount referred to in the table above (e.g. \$1,200 per fortnight gross wages for employees working more than 80 hours in the reference period for the period 28 September 2020 to 3 January 2021).

Calculating Decline In Turnover

Calculating GST turnover for the September and December 2020 JobKeeper extension periods is different to the original JobKeeper requirements as entities will only be using current GST turnover figures (not projected GST turnover).

When applying the new turnover reduction tests for the September 2020 quarter and December 2020 quarter, entities that are registered for GST must use the same method that is used for GST reporting purposes (cash or accruals). Entities that are not registered for GST can choose whether to calculate GST turnover using a cash or accruals basis but must use a consistent method.

The below table outlines how to calculate if the decline in turnover test has been met for the September and December 2020 JobKeeper extension periods.

	28 September to 3 January 2021	4 January 2021 to 28 March 2021
Decline in turnover test	Actual GST turnover in the September 2020 quarter (July, August & September) fell by at least 30% compared to the same period in 2019.	Actual GST turnover in the December 2020 quarter (October, November & December) fell by at least 30% compared to the same period in 2019.

Therefore, for employers reporting quarterly for GST, the calculation will be a comparison of GST exclusive sales in the September 2020 BAS against the GST exclusive sales in the September 2019 BAS. If the GST turnover in the September 2020 BAS is down 30% (50% for a large business with turnover over \$1b or 15% for a charity) compared to the September 2019 BAS, the turnover requirement will have been met. The same calculation will then apply for the December 2020 BAS.

It is also important to note that for employers who have been receiving JobKeeper payments prior to September 28, these payments are not included in the GST exclusive turnover figure for eligibility purposes.

Key Dates

The following key dates should be noted:

- **Between 1 and 31 October 2020** – employers will need to check and submit the business actual decline in turnover to the ATO online to be eligible for the first JobKeeper extension period;
- **Between 1 and 14 November 2020** – employers will need to complete the monthly business declaration and advise the ATO which payment tier is being claimed for each eligible employee;
- **31 October 2020** – for the JobKeeper fortnights from 28 September 2020 and 12 October 2020 only the ATO is allowing employers until 31 October 2020 to meet the wage condition.

What Is Not Changing

- You don't need to re-enrol for the JobKeeper extension if you are already enrolled for JobKeeper for fortnights before 28 September.
- You don't need to reassess employee eligibility or ask employees to agree to be nominated by you as their eligible employer if you are already claiming for them before 28 September.
- You don't need to meet any further requirements if you are claiming for an eligible business participant.

Further Information

For further information regarding the JobKeeper extension, please see the below links:

[Extension of the JobKeeper Payment Fact Sheet](#)

[ATO JobKeeper Extension Announcement](#)

If you have further questions or would like more information please contact our office:

Level 4, 240 Queen Street, Brisbane QLD 4000

general@hallchadwickqld.com.au | +61 7 3212 2500