

CLIENT ALERT

January 2021

DO YOU NEED TO REGISTER FOR JOBMAKER?

What is the JobMaker Hiring Credit?

To encourage employers to create *new* jobs for young job seekers aged 16 to 35 years, the Federal Government has legislated the JobMaker Hiring Credit scheme. Under the scheme, eligible employers will be provided with a weekly incentive payment of \$200 (for employees aged 16-29 years old) or \$100 (for employees aged 30 to 35 years old) for each eligible employee for up to 12 months.

You should consider the application of this scheme if you are an employer who has had a net increase in headcount (since 30 September 2020) and payroll (since the 3 months ended 6 October 2020). The rules are complex, but described in brief below. Please contact us for assistance if you think you qualify for the scheme.

Registration for this scheme opened 6 December 2020 and can be done in either the Business Portal or ATO online services. We can also assist you with this under the Tax Agent Portal. **The first claim period for the period from 7 October 2020 to 6 January 2021 opens 1 February 2021 and finishes 30 April 2021. You cannot make a claim after this time.** The JobMaker periods and the claim periods are outlined below.

| Dates for JobMaker periods and claim periods | | |
|--|---------------------------------|-----------------------------------|
| Period | JobMaker period | Claim period |
| 1 | 7 October 2020 - 6 January 2021 | 1 February 2021 - 30 April 2021 |
| 2 | 7 January 2021 - 6 April 2021 | 1 May 2021 - 31 July 2021 |
| 3 | 7 April - 6 July 2021 | 1 August 2021 - 31 October 2021 |
| 4 | 7 July 2021 - 6 October 2021 | 1 November 2021 - 31 January 2022 |
| 5 | 7 October 2021 - 6 January 2022 | 1 February 2022 - 30 April 2022 |
| 6 | 7 January 2022 - 6 April 2022 | 1 May 2022 - 31 July 2022 |
| 7 | 7 April 2022 - 6 July 2022 | 1 August 2022 - 31 October 2022 |
| 8 | 7 July 2022 - 6 October 2022 | 1 November 2022 - 31 January 2023 |

This is issued as a helpful guide to clients and for their private information. Items herein are general comments only and do not constitute or convey advice per se. Additionally changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas.

1. Eligibility

Employers (including not for profits and deductible gift recipients) will be eligible for this incentive if they:

- Hold an Australian business number
- Are registered for PAYG withholding
- Have not claimed JobKeeper payments for a fortnight that started during the JobMaker period
- Are up to date with income tax and GST returns
- Satisfy the payroll increase and the headcount increase conditions
- Satisfy reporting requirements, including up to date STP reporting
- Do not belong to one of the [ineligible employer](#) categories

Employees will be eligible if they:

- Are an employee of the entity during the JobMaker period
- Are aged 16 to 35 years old when they started employment
- Started employment on or after 7 October 2020 and before 7 October 2021
- Worked or have been paid for an average of at least 20 hours for each week they were employed in the JobMaker period
- Have given a JobMaker Hiring Credit employee notice to the employer
- Have not already provided a JobMaker Hiring Credit employee notice to another current employer
- Received the Parenting Payment, Youth Allowance or JobSeeker Payment for at least 28 consecutive days (or 2 fortnights) in the 84 days (or 6 fortnights) prior to starting employment
- Do not belong to one of the [ineligible employee](#) categories

2. Payment rates for JobMaker Hiring Credit

As an eligible employer, you will be eligible for the following payments for each new job you create over the 12 months from 7 October 2020 to 7 October 2021:

- \$200 per week for each eligible employee aged 16 to 29 up to 12 months
- \$100 per week for each eligible employee aged 30 to 35 up to 12 months

The employee's age will be based on the employment commencement date.

The JobMaker Hiring Credit claimed cannot exceed the increase of the payroll amount for the claim period. The ATO will calculate the claim amount based on the information provided.

3. Register for JobMaker Hiring Credit

Eligible employers can register for the JobMaker Hiring Credit scheme from 6 December 2020 via the Business Portal or ATO online services by the agents. You can register at any time before the end of the claim period.

To complete the registration for the JobMaker Hiring Credit, you must provide:

- Baseline headcount
- Baseline payroll amount
- Contact details

In the first year of the scheme, your baseline headcount is the total number of employees you had at 30 September 2020. Each employee, whether full-time, part-time or casual, counts as one. For any new business, or businesses that had no employees at 30 September 2020, your baseline headcount will be zero. The baseline headcount will be increased in the second year to ensure that you can only receive the JobMaker Hiring Credit up to 12 months for each additional eligible employee.

Your baseline payroll amount is the total payroll paid within the three months up to and including 6 October 2020. The baseline payroll amount is a 90 to 92 day period depending on the days in the JobMaker period. For example, the JobMaker period from 7 October 2020 to 6 January 2021 is a 92 day period, hence your baseline payroll amount will be the payroll expenses paid from 7 July 2020 to 6 October 2020, a period of 92 days. The JobMaker period from 7 January 2021 to 6 April 2021 is a 90 day period, hence your baseline payroll amount will be the payroll expenses paid from 9 July 2020 to 6 October 2020, a period of 90 days.

For any new business started after 6 October 2020, the baseline payroll amount will be zero. For any business registered during the three months prior to 6 October 2020, the baseline payroll amount will be the payroll expense for the period up to 6 October 2020 without any adjustments.

Please see [here](#) for the step-by-step instructions on how to register for JobMaker Hiring Credit scheme.

4. Nominate eligible employees

You can nominate eligible employees through your STP enable software once the ATO process your JobMaker Hiring Credit registration.

You must nominate eligible employees before you make a claim by the due date.

View of nominated employees will be available online by February 2021.

Please see [here](#) for reporting and updating eligible additional employees.

5. Claim JobMaker Hiring Credit

The JobMaker Hiring Credit is paid every 3 months in arrears to employers. Once the business is registered for the JobMaker Hiring Credit scheme, you can make the first claim from 1 February 2021. You must claim the payments by the end of the [claim period](#) to receive JobMaker Hiring Credit for that period. You are also required to keep a record of the JobMaker employee notice before the claim; however, it is not a requirement to submit the employee notice to the ATO. Please see [here](#) for the step-by-step instructions on how to claim JobMaker Hiring Credit.