

CMSolutions Presents

# JobKeeper 2.0

Presented by Neale Brosnan & Craig Pollard

24 September 2020



## Today's webinar

- Eligibility employer & employee
- Rates of subsidy
- Fair Work changes

# Extension of the JobKeeper Payment – information for businesses and not-for-profits



## The JobKeeper Payment

- ✔ You can enrol at any time until the program closes
- ✔ Pay your eligible employees \$1,500 per fortnight (before tax) until 27 September 2020
- ✔ Complete your monthly business declarations

## Changes to employee eligibility

Employees that meet the eligibility requirements can now be nominated by a new employer if their original employment with a JobKeeper employer ended before 1 July 2020.



As of 3 August 2020, the key date for assessing employee eligibility is now 1 July 2020, rather than 1 March 2020



For the fortnights commencing on 3 and 17 August 2020, employers have until 31 August 2020 to meet the wage condition for new eligible employees under the 1 July eligibility test



## The Government has announced extensions to the JobKeeper Payment

Once legislated, these changes take effect from **28 September 2020**

- The required fall in GST turnover percentages will remain the same
  - 30% for an aggregated turnover of \$1 billion or less
  - 50% for an aggregated turnover of more than \$1 billion
  - 15% for ACNC-registered charities other than universities and schools
- There will be a tier 1 and a tier 2 Jobkeeper rate
  - Tier 1 rate applies for:
    - eligible employees who were working 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
    - eligible business participants who were actively engaged in the business for 20 hours or more per week on average
  - Tier 2 rate applies for other eligible employees and business participants
  - Employers and businesses will need to nominate the rate they are claiming for the eligible employees and/or eligible business participants.

### Extension 1

**28 September 2020 – 3 January 2021**

You will need to demonstrate that your actual GST turnover has fallen in the September 2020 quarter (July, August, September) relative to a comparable period (generally the corresponding quarter in 2019)

Tier 1 rate will be **\$1,200** per fortnight

Tier 2 rate will be **\$750** per fortnight

OCT NOV DEC 2020 JAN 2021

### Extension 2

**4 January 2021 – 28 March 2021**

You will need to demonstrate that your actual GST turnover has fallen in the December 2020 quarter (October, November, December) relative to a comparable period (generally the corresponding quarter in 2019)

Tier 1 rate will be **\$1,000** per fortnight

Tier 2 rate will be **\$650** per fortnight

FEB MAR

## Employer Eligibility

- If the entity was eligible for JobKeeper1 then they are eligible for JobKeeper 2 **ONLY IF**
- Entity must now demonstrate a decline in “Current GST Turnover” for the September 2020 Quarter
- Some employees may become eligible
- Eligibility for Childcare providers ended 20 July 2020

## Decline in Turnover

- Actual Current GST Turnover
- JK2 - GST Turnover is on the **Same basis as the BAS**
  - If no BAS then choose cash or accrual (but consistently)
- Test Qtr. ended 30 Sept 2020 v's Qtr. ended 30 Sept 2019
  - ATO to prefill and test early
  - 30% decline – P&C's
  - 15% decline – ACNC Registered Orgs
- Retest Qtr. ended 31 December 2020 to continue JK into 2021

# GST Turnover Defined

## What is “GST Turnover”?

Legally for JobKeeper 2.0 it is connected to “Current GST Turnover” which is ...”the sum of the values of all supplies that you have made”...but specifically excluding Input taxed, supplies not for consideration or not connected with an enterprise.

JobKeeper 1 allowed projected GST Turnover and also monthly comparisons. JobKeeper 2 will be a quarterly calculation of “actual” GST Turnover.

**“Actual GST Turnover” is the GST Exclusive Taxable value of supplies made during the period (GST & FRE but not Input Taxed).**

For JobKeeper 1 & 2.0

- GST Turnover is **NOT** necessarily what you report on the BAS
- It does **NOT** require the entity to be registered for GST
- It does not matter whether you lodge a BAS
- It **IS** a technical definition that makes up a reportable amount within tax law

Cash or Accrual is the same method as you report JobKeeper now

## GST Turnover Checklist

- Current GST Turnover for JobKeeper 2
- Is based on “Actual”
- All Taxable Supplies including GST Free are included
- Not Input Taxed Supplies
- Sale of Assets were excluded from JobKeeper 1. Included in JK2

## GST Turnover Checklist

- If not GST Registered
  - All taxable supplies including GST
  - Depending on 2019 Year Turnover – See P&C Specific JK 2.0 Decision Tree
- Same Alternative Tests as JK1



# Employee Eligibility

- 1 July Eligibility test – must be
  - employed by you as either
    - Non-casuals employees (whether permanent, part time or fixed term) as at 1 July 2020
    - Long term casual (employed on regular & systematic basis during 12 month period ended 1 July 2020)
  - 18 or older
  - Australian resident under Social security Act

## Employee Eligibility

- You don't need to assess employee eligibility or ask them to be nominated if already claiming for them before 28 September
- New employees that meet eligibility – obtain declaration
- 80 hour test

## Notify Employees about what is happening

- Tier 1 Employees to be topped up to \$1200 pf
- Tier 2 Employees to be topped up to \$750 pf
- Employees no longer able to be topped up- as entity not eligible
- Keep employees informed
- Fair Work provisions- 10% reduction for “Legacy” employers
- Can no longer direct staff to take annual leave

## ATO: 80 Hour Test

The rates if payment will change from JK 1.0

The rate of the JobKeeper Payment will depend on the number of hours an eligible employee is actively engaged in the business. It will be split into two rates.

### Tier 1 rate:

This rate applies to:

- Eligible employees who worked for **80 hours** or more in the four weeks of pay periods before either 1 March 2020 or 1 July 2020

### Tier 2 rate:

This rate applies to:

- Any other eligible employees

## Which period to test

- Employees – the 28 days in pay cycles that ends within February or June
  - Alternate periods

## ATO Alternate test periods

- If normal 28 days is **not representative** of hours then
  - Use most recent 28 days **before** that is representative
- If **not employed** for all or part of normal 28 days then
  - Use the first 28 day period that starts **after** normal period
- If no records? How much did they get paid? More or less than \$1500

## ATO: Things to do for JobKeeper 2.0

- Notify the Commissioner via STP (Single Touch Payroll) and your eligible employees what payment rate applies to them;
- During JobKeeper Extension 1, ensure your eligible employee are paid at least
  - \$1,200 per fortnight for Tier 1 employees
  - \$750 per fortnight for Tier 2 employees
  - \*Have until end of October 2020 to do any applicable top-ups for FN14 & FN15
- During JobKeeper Extension 2, ensure your eligible employees are paid at least
  - \$1,000 per fortnight for Tier 1 employees
  - \$650 per fortnight for Tier 2 employees

## When JobKeeper 2.0 starts

- Some Employers will no longer be eligible
  - No need to “un-enrol”
  - No need to “Finish” employees
  - Stop lodging monthly declarations
- Some Employers will become eligible
  - Enrol ATO Online
  - Enrol Employees – STP Start Codes &
  - STP Tier Codes



## When JobKeeper 2.0 starts

- Continuing Eligible Employers
  - You will NOT need to re-enrol
  - You will NOT need to restart existing employees
  - You DO NOT need to obtain new Nomination Forms from existing eligible employees
  - Add any new employee with a STP Start FN Code and get nomination forms completed by newly eligible employees
  - All Tier 1 employees – notify via expected STP software STP code
  - All tier 2 employees – as above

## Monthly reporting continues

- Monthly Declaration is required to obtain the subsidy (as in JK 1.0)
- Reimbursement paid in arrears
- Monthly report of GST Turnover
- NOTE: Decline in Turnover is a Quarterly retest

# October Payments

- You may not know if you are eligible until after 30 September
- Do not pay any JobKeeper top-up until you are sure your organisation is eligible
- ATO has issued discretion to allow any catch up top-up payments for JK 2.0 to be made by 31 October for FN 14 & FN15

# JobKeeper 2.0 Extension 1 Fortnights

Jobkeeper Fortnight	Period Relating to each Jobkeeper fortnight	Employees are paid on or before
14	28 September-11 October	31 October
15	12 October – 25 October	31 October
16	26 October – 8 November	8 November
17	9 November – 22 November	22 November
18	23 November – 6 December	6 December
19	7 December – 20 December	20 December
20	21 December – 3 January 2021	3 January 2021

# Fair Work changes for JobKeeper 2.0

# Contact Us

- Community Management Solutions
- Phone: 07 3852 5177 | 1300 007 110
- Email: [info@cmsolutions.org.au](mailto:info@cmsolutions.org.au)
- Website: [www.cmsolutions.org.au](http://www.cmsolutions.org.au)
- Facebook: <https://www.facebook.com/communitymanagementsolutionscms>