



JOBKEEPER: CHANGES AND ASSISTANCE

One of the main concerns for employers wanting to enrol for the JobKeeper Scheme is that they have to make the \$1,500 payments to employees before they are eligible to receive the JobKeeper Payment. For many employers, this is simply impossible.

Last week, the Treasurer (Josh Frydenberg) spoke with the 'Big 4' banks and they have agreed to establish dedicated Hotlines for employers to call in relation to accessing bridging finance.

Those Hotline numbers are:

Westpac: 1300 731 073

NAB: 1800 562 533 (1800 JOBKEEPER)

CBA: 13 26 07

ANZ: 1800 571 123

Extension of time to enrol for the JobKeeper scheme

The Commissioner has extended the time to enrol for the initial JobKeeper periods, from 30 April 2020 until 31 May 2020, but the payments to employees for the April fortnights still must be paid by 30 April.

If a business or employer enrolls by 31 May, they will still be able to claim for the fortnights in April and May, provided they meet all the eligibility requirements for each of those fortnights. This includes having paid their employees by the appropriate date for each fortnight. For the first two fortnights (30 March – 12 April, 13 April – 26 April), the ATO will accept that the minimum \$1,500 payment per employee, per fortnight has been paid by the employer, even if it has been paid after the conclusion of the fortnight, provided it is paid by 30 April.

Please note, delaying your enrolment will also delay the first payment by the ATO of your JobKeeper reimbursement for the month of April until later in May or even into June, depending on how late the enrolment is completed.

Full time students aged 16 and 17 years old Ineligible if not financially independent

As noted in the explanatory statement to the existing rules, the benefit of the JobKeeper payment to workers over the age of 16 is justified, for those who are financially independent, who require the security provided by participation in the JobKeeper program and the maintenance of the working relationship that it allows.

The changes to the rules will provide that full time students who are 17 years old and younger, and who are not financially independent, are not eligible for the JobKeeper Payment.

This clarification will only apply going forward, which would mean an eligible employer that has already met the wage condition of paying such an employee \$1,500 per fortnight should be entitled to a JobKeeper reimbursement in arrears for those fortnights.

Employees employed through a special purpose entity, rather than an operating entity

Changes will address the circumstances where business structures use a special purpose entity to employ staff rather than staff being directly employed by an operating entity. The Government will provide an alternate decline in turnover test for the eligibility of special purpose service entities that provide employee labour to group members and that have not met the basic test for decline in turnover. This alternate test will apply where an entity provides the services of its employees to one or more related entities, where those related entities carry on a business deriving revenue from unrelated third parties. The alternate test will be by reference to the combined GST turnovers of the related entities using the services of the employer entity.

‘One In, All In’ Principle

Once an employer decides to participate in the JobKeeper scheme and their eligible employees have agreed to be nominated by the employer, the employer must ensure that all of these eligible employees are covered by their participation in the scheme. This includes all eligible employees who are undertaking work for the employer or have been stood down. The employer cannot select which eligible employees will participate in the scheme. As noted in the explanatory statement to the existing rules, this ‘one in, all in’ principle is already a key feature of the scheme and will be made clearer in the rules.

Charities and the treatment of government revenue

Changes will allow charities (other than schools and universities) to elect to exclude government revenue from the JobKeeper turnover test. This will allow employing charities, receiving revenue from the Government to use either their:

- total turnover, or
- turnover excluding government revenue

for the purposes of assessing eligibility for the JobKeeper Payment. This will help to ensure that the eligibility of charities is not adversely affected where they are delivering significant services that are funded by Government.

Religious practitioners

Changes will allow JobKeeper Payments to be made to religious institutions in respect of religious practitioners (with the exception of those that are students only), recognising that many religious practitioners are not ‘employees’ of their religious institutions.

International Aid Organisations

Changes will allow entities that are endorsed under the Overseas Aid Gift Deductibility Scheme or for developed country relief to meet the requirement that not-for-profits pursue their objectives principally in Australia. The current requirement that employees must be Australian residents to be eligible under the JobKeeper program would remain in place.

Universities

Changes will clarify that the core Commonwealth Government financial assistance provided to universities will be included in the JobKeeper turnover tests.

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