

JOBKEEPER PAYMENT WHAT YOU NEED TO DO NOW

BUSINESSES WITH EMPLOYEES

Step 1: Assess your businesses eligibility for the JobKeeper payment.

Please refer to the ATO website [HERE](#), to assess the eligibility criteria your business must first meet.

Step 2: Calculate your projected business turnover

A key requirement to be eligible for JobKeeper payments is that you have a 30% drop in business turnover, unless your turnover exceeds \$1 Billion, where the drop must be 50%.

For Not-for-Profits, if you are an ACNC registered charity (other than schools or universities), the fall in turnover required is 15%.

The ATO has indicated that it is vitally important that you have workings on how you calculated your projected turnover, as you may be required to provide evidence of your claim and how you calculated the turnover decrease. Providing false or inaccurate information may result in having to repay JobKeeper payments to the ATO. They have also introduced strict penalties should you be found manipulating your turnover in order to be eligible.

If you would like our assistance to determine if:

- your actual turnover for March, or
- your projected turnover for April, or
- projected turnover for the April to June quarter

is likely to show the required drop (i.e. 30%, 50% or 15%) from the same time last year, please contact your accountant.

If your accountant has access to your online (cloud based) accounting software, please let them know if your on-line record keeping is up to date and they can review it, prepare some analysis and call you to discuss.

If your accounting software is either not online, or your accountant does not have access to your file, you will need to supply your Profit and Loss Statements for:

- a) 1 March – 31 March 2019 and 1 March – 31 March 2020; and/or
- b) 1 April to 30 April 2019 and 1 April to date for April 2020; and/or
- c) 1 April to 30 June 2019 and to date from 1st April 2020

Please note that these reports must be prepared on an Accruals Basis if you lodge your BAS's on an accruals basis. If you lodge your BAS's on a cash basis, you are able to choose either cash or accruals.

If the basic test to assess a decrease in turnover isn't appropriate for you due to one of the following reasons:

- Entity is new to business;
- Disposals, Acquisitions and Restructures;
- Entity had substantial increase in turnover;
- Entity is affected by drought or other natural disaster;
- Business has irregular turnover;
- Sole trader or small partnership with sickness, injury or leave;

you will be entitled to use an alternative test. Please contact us with how to apply the particular test to your circumstances.

Step 3: Determine your eligible employees

Please refer to the ATO website [HERE](#) on who are eligible employees to receive payment.

In the Resources section of our website, you will find a spreadsheet where you can collate the details of your eligible employees for future reference.

Step 4: Seek professional advice regarding HR issues

The HR laws concerning your employees are complex and differ between awards and employment agreements. The current environment has highlighted new issues such as the stand down provisions and leave entitlements. It is important that any decisions regarding your employees are well considered and documented.

Please feel free to contact us, and if your question is beyond our HR knowledge, we can put you in touch with a suitably qualified HR professional to assist.

Step 5: Nominate your employees

Before you enrol to receive JobKeeper payments, you need to notify each eligible employee that you intend to nominate them as eligible employees under the JobKeeper scheme.

They must agree to be nominated by you by completing the [JobKeeper Employee Nomination Notice](#) and returning it to you for your records.

The nomination form does not need to be provided to the ATO however, employers are required to keep a copy of the completed form as part of their record keeping obligations under the law.

Step 6: Pay at least \$1,500 to each eligible employee per JobKeeper fortnight

You **must pay** at least \$1,500 to each eligible employee per fortnight, before tax. JobKeeper payments are a reimbursement only, and you **must pay** the employees in order to be reimbursed. Again, there are strict penalties if you are found to not have paid the funds to the employees.

The first JobKeeper fortnight is the period from 30 March to 12 April and each JobKeeper fortnight that follows. For the first two fortnights (30 March – 12 April, 13 April – 26 April), the ATO will accept the minimum \$1,500 payment for each fortnight has been paid by you even if it has been paid late, provided it is paid by you by the end of April. This means that you can make two fortnightly payments of at least \$1,500 per fortnight before the end of April, or a combined payment of at least \$3,000 before the end of April.

Payroll software providers are currently implementing system upgrades to enable JobKeeper payments to be easily processed through payroll. We have instructions available for:

- Xero;
- MYOB AccountRight;
- MYOB Essentials; and
- Reckon Hosted.

Please contact your accountant if you would like these forwarded to you, or assistance to implement the changes required.

Step 7: Set up the Business Portal

If you wish to manage the application process yourself, please ensure that in the coming days you have set up and registered for the Business Portal to enable you to process your application for the JobKeeper payment.

You can follow the link [HERE](#) on how to register for the Business Portal if you don't already have access.

Step 8: Enrol for JobKeeper payment (from 20 April onwards)

From 20 April 2020, you can enrol with the ATO for the JobKeeper payment using the Business Portal and authenticate with myGovID. You must do this by 30 April 2020 to claim JobKeeper payments for the first two fortnights in April.

During this process you provide your bank account details and specify the estimated number of employees who will be eligible for the first JobKeeper fortnight (30 March – 12 April) and the second JobKeeper fortnight (13 April – 26 April).

Again, we can either assist you through this process, or manage it for you if you prefer.

Step 9: Provide confirmation of eligible employees you will claim JobKeeper payment for (from 4 May 2020 onwards)

From 4 May 2020, you will need to access the ATO Business Portal to apply for the JobKeeper payment for your eligible employees. This will be a monthly process to confirm if there have been any changes to your employees during the month. It will also involve reporting your monthly turnover so that the ATO can monitor if the Stimulus Package is having the desired effect on businesses.

SOLE TRADERS AND OTHER OWNERS ACTIVELY ENGAGED IN THEIR BUSINESS

Sole Traders and other businesses in the form of a company, trust or partnership can also qualify for the JobKeeper payments where a business owner (a shareholder, adult beneficiary or partner) is actively engaged in the business, or a director is actively engaged in the business. This is limited to one entitlement for each entity even if there are multiple owners or participants.

Similar eligibility rules in relation to the fall in turnover apply as outlined above, and again applications can happen from 20 April. The registration forms are now available, so feel free to contact us if you need assistance with these.

More details can be found [HERE](#).

NEED FURTHER HELP?

Over the coming days and weeks, we will continue to keep our clients updated on JobKeeper payments via email.

This is a huge new system being rolled out by the Government, which ordinarily would be months in the making. We are doing our best to ensure we provide you the correct and most up to date information.

If you have any questions about the above or your own COVID-19 affected finances, please do not hesitate to contact your accountant via email or call us on 1300 363 866.

Our offices remain open with staff onsite. If you would like to arrange an appointment with us, we are happy to meet with you via video conference, or if required, in the office.

Should you wish not to receive any further emails from McConachie Stedman in relation to the Coronavirus Stimulus Measures, please reply to this email address: mail@mcconachiestedman.com.au

McConachie Stedman

WWW.MCCONACHIESTEDMAN.COM.AU

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