



Please read this update and action before 28 September 2020. If you have any queries please do not hesitate to contact this office.

JobKeeper Extension

The Government announced that the JobKeeper Payment would be extended until 28 March 2021 (i.e., for a further six months beyond its original end date of 27 September 2020). As a result, JobKeeper Payments would now be made over two separate extension periods; **JobKeeper Extension 1** and **JobKeeper Extension 2**.

TIP: If your business was not eligible for the previous JobKeeper prior to 27 September 2020, you may still be eligible to join the JobKeeper Scheme for JobKeeper Extension 1 and JobKeeper Extension 2.

JobKeeper Extension 1

Period

This extension period includes **seven new JobKeeper fortnights** will run from **28 September 2020 to 3 January 2021**.

Eligibility

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

Payment Rates

The rates of the JobKeeper Payment in this extension period are:

- **\$1,200 per fortnight** for all eligible employees who were working in the business or notfor-profit 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 for eligible business participants who were actively engaged in the business for 20 hours or more per week on average; and
- **\$750 per fortnight** for other eligible employees and business participants.

JobKeeper Extension 2

Period

This extension period includes **six new JobKeeper fortnights** will run from **4 January 2021 to 28 March 2021**.

Eligibility

Businesses will need to demonstrate that actual GST turnover has fallen in the December 2020 quarter (October, November, December) relative to a comparable period (generally the corresponding quarter in 2019). Please note your business can be eligible for JobKeeper Extension 2 even if your business was not eligible for JobKeeper Extension 1.

Payment Rates

The rates of the JobKeeper Payment in this extension period are:

- **\$1,000 per fortnight** for all eligible employees who were working in the business or notfor-profit 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 for business participants who were actively engaged in the business for 20 hours or more per week on average; and
- **\$650 per fortnight** for other eligible employees and business participants.

For Businesses – What you need to do

From 28 September 2020, you must do all of the following:

1. Work out if the Tier 1 or Tier 2 rate applies to each of your eligible employees and/or eligible business participants.

How to work out if employees or business participant is Tier 1 or Tier 2?

Employees:

For all employees, there are two standard reference periods that are comprised of the 28 day periods ending at the end of the most recent pay cycle for the employee ending before 1 March 2020 or 1 July 2020.

If the employee worked more than 80 hours over either of these 28 day reference periods, then they will qualify for the Tier 1 rate. If the employee worked less than 80 hours in both of these 28 day reference periods, then they will qualify for the Tier 2 rate. This rate applies to both Extension Period 1 and Extension Period 2 and applies regardless of the amount of hours the employee is currently working in either Extension Period.

Business Participants:

Business participants will need to assess and reasonably demonstrate whether they were actively engaged in the business for 80 hours or more for the month of February 2020. This requires an assessment of the hours that the business participant was actively operating the business or undertaking specific tasks in business development and planning, regulatory compliance or similar activities during the month of February 2020. The business participant will need to declare that their total hours of active engagement are 80 hours or more to claim the Tier 1 rate.

TIP: If Tier 1 rate is claimed for a business participant, we advise evidence be obtained to reasonably demonstrate the declaration as penalties may be liable if false and misleading statements are made.

2. Notify the Commissioner and your eligible employees and/or eligible business participants what payment rate applies to them; and
3. During **JobKeeper Extension 1**, ensure your eligible employees are paid at least
 - o \$1,200 per fortnight for Tier 1 employees
 - o \$750 per fortnight for Tier 2 employees
4. During **JobKeeper Extension 2**, ensure your eligible employees are paid at least
 - o \$1,000 per fortnight for Tier 1 employees
 - o \$650 per fortnight for Tier 2 employees.

Please see examples at the bottom of this factsheet for further information.

NOTE: Revised “eligible employees” for JobKeeper includes employees employed before 1 July 2020 (previously 1 March 2020) and must satisfy all of the following:

1. Be employed either:
 - Full-time, part-time or fixed-term; or
 - you were employed by the eligible employer (or another entity in their wholly owned group), either as a non-casual employee (whether full-time, part-time or fixed-term)
2. Aged 18 years or older (if you were 16 or 17 you can also qualify if you were independent or not undertaking full time study on 1 July 2020)
3. Must be either:
 - an Australian resident (within the meaning of the Social Security Act 1991) – see residence descriptions [External Link](#) on the Services Australia website
 - an Australian resident for the purpose of the Income Tax Assessment Act 1936 and the holder of a Subclass 444 (Special Category) visa

TIP: Reassess eligibility of employees previously ineligible for JobKeeper – new employees may have become eligible for JobKeeper due to the changes in eligibility dates from 1 March 2020 to 1 July 2020.

TIP: If your business is registered for GST and have outstanding BAS statements, you should lodge your BAS for the September 2019 and December 2019 quarters as soon as possible (or for equivalent months, if you report monthly).

30% Fall in turnover test

To claim for fortnights in the JobKeeper Extension 1, you need to determine if your business satisfies the actual fall in turnover test for the September 2020 quarter, you must calculate your GST turnover for the quarter of September 2019 and September 2020.

For many businesses registered for GST, this calculation will match the 'total sales' reported at G1 on your BAS minus GST payable (1A), where applicable.

You can provide additional turnover information to demonstrate that you satisfy the actual fall in turnover test for the September quarter from the start of October onwards. You must provide it before you complete your November monthly declaration.

For Businesses – What doesn't change

To claim for fortnights in the JobKeeper Extension 1 or 2:

- 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, other than those that applied from the start of JobKeeper relating to:
 - holding an ABN, and
 - declaring assessable income and supplies.

For Employees

Employees are eligible in the extension period if they:

- are currently employed by an eligible employer (including if you were stood down or rehired)
- were for the eligible employer (or another entity in their wholly-owned group) either:
 - a full-time, part-time or fixed-term employee at 1 July 2020; or
 - a long-term casual employee (employed on a regular and systematic basis for at least 12 months) as at 1 July 2020 and not a permanent employee of any other employer.

- were aged 18 years or older at 1 July 2020 (if you were 16 or 17 you can also qualify if you are independent or not undertaking full time study).
- were either:
 - an Australian resident (within the meaning of the Social Security Act 1991); or
 - an Australian resident for the purpose of the Income Tax Assessment Act 1936 and the holder of a Subclass 444 (Special Category) visa as at 1 July 2020.
- were not in receipt of any of these payments during the JobKeeper fortnight:
 - government parental leave or Dad and partner pay under the Paid Parental Leave Act 2010; or
 - a payment in accordance with Australian worker compensation law for an individual's total incapacity for work.

Only one employer can claim the JobKeeper Payment in respect of an employee.

The self-employed will be eligible to receive the JobKeeper Payment where they meet the relevant turnover test, and are not a permanent employee of another employer.

Employees will continue to receive the JobKeeper Payment through their employer during the period of the extension if they and their employer are eligible and their employer is claiming the JobKeeper Payment. However, the amount of the JobKeeper Payment will change at the rates set out above.

Example:

Retesting turnover under the JobKeeper extension

Carmen owns and runs the City Café. Carmen started claiming the JobKeeper Payment for her eligible staff and herself as a business participant when the JobKeeper Payment commenced on 30 March 2020. At the time, Carmen estimated that the projected GST turnover for City Café in April 2020 would be 70 per cent below its actual GST turnover in April 2019. To be eligible for the JobKeeper Payment from 30 March 2020 to 27 September 2020, Carmen needed to show the turnover for the City Café was estimated to decline by at least 30 per cent.

As a monthly BAS lodger, Carmen submitted her BAS for the City Café in July, August and September. For each of these, her actual turnover was as follows: Decline for September quarter:

	2020	2019
July	110,000	200,000
August	140,000	200,000
September	150,000	200,000
Total for September Quarter	400,000	600,000

Decline for September 2020 quarter = $(400,000 - 600,000) \div 600,000 = 33$ per cent

The actual turnover decline for the September 2020 quarter is greater than 30 per cent, so City Café is eligible for the JobKeeper Payment for the period of 28 September 2020 to 3 January 2021.

Business continued to improve for the City Café, and actual turnover for the December 2020 quarter was 20 per cent less than the December quarter 2019, so the City Cafe was no longer eligible to claim the JobKeeper for the second extension period starting from 4 January 2021.

Working out the JobKeeper Payment rate to be claimed

In the scenario above, Carmen also needs to calculate how much to claim for each of her staff, and for herself as a business participant.

Carmen - Business participant

As Carmen was working full-time at the café herself throughout February 2020, she is entitled to claim \$1,200 per fortnight from 28 September 2020 to 3 January 2021, as an eligible business participant.

She has three full-time employees who are also eligible to be paid \$1,200 per fortnight because they each worked 20 hours or more per week throughout February 2020.

Chris – Part-time employee

Carmen has an employee, Chris, who works part-time with different hours every other week: 14 hours one week; and 22 hours the next week. During the two pay fortnights prior to 1 March 2020, Chris was employed for 36 hours in each fortnight. On average, Chris worked less than 20 hours per week for City Café. Carmen is eligible to claim \$750 per fortnight for Chris, from 28 September 2020 to 3 January 2021.

Cathy – Long term casual – less than 20 hours

Cathy is an eligible employee who worked on a long-term casual basis during February 2020 and June 2020. To determine what rate of JobKeeper Payment to claim for Cathy, Carmen looks at pay records for the two fortnightly pay periods before 1 March 2020 and 1 July 2020. She sees that Cathy was employed on average less than 20 hours per week, so Carmen claims \$750 per fortnight for Cathy, from 28 September 2020 to 3 January 2021.

Charles – not employed 1 March 2020 – less than 20 hours

Carmen also started employing Charles, who works part-time, from June 2020 when business started picking up again. Because Charles was employed at City Café before 1 July 2020, Carmen looks at pay records for the two fortnightly pay periods before 1 July 2020 to determine the rate of JobKeeper Payment to claim for Charles. Charles was employed on average less than 20 hours per week for this period, so Carmen claims \$750 per fortnight for Charles, from 28 September 2020 to 3 January 2021.