

Business Advisory Update

30 April 2020

JobKeeper Key Dates

30 March – 12 April: 1st JobKeeper Fortnight (\$1,500 gross paid to eligible employee by latest 8 May)

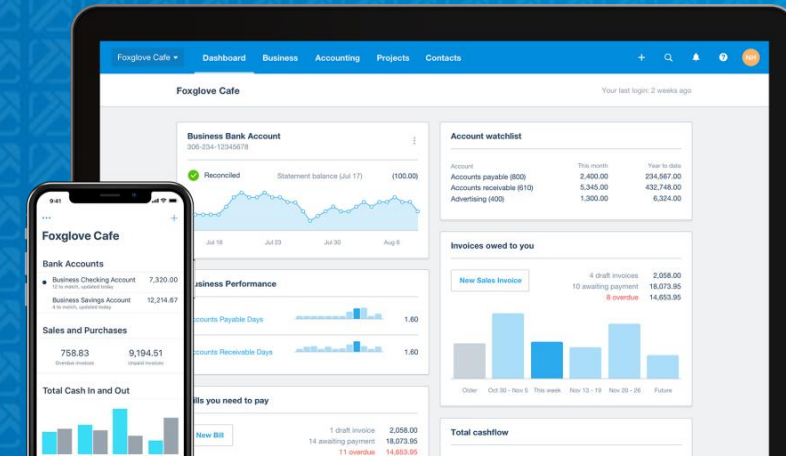
13 April – 26 April: 2nd JobKeeper Fortnight (\$1,500 gross paid to eligible employee by latest 8 May)

If you want to be reimbursed by mid May for first two JobKeeper Fortnights:

- **30 April:** must be enrolled if you want to be reimbursed by mid May for first two JobKeeper Fortnights
- **30 April:** must have your payroll information completed
- **4 May:** must go onto your Business Portal and complete business turnover information & employee information
- **8 May:** must have paid all wages applicable to first 2 JobKeeper Fortnights by this date (if you want to receive first reimbursement from Gov in mid May)
- **Mid May:** first Gov reimbursement to your account will be received
- **10 May:** must have paid third JOBKEEPER fortnight
- Each JobKeeper fortnight must be actually paid by last day of JobKeeper fortnight
- **Each month:** reconfirm eligibility

If you still want to claim first two JobKeeper Fortnights (and subsequent JobKeeper Fortnights in April and May) but are struggling for time to process paperwork:

- **8 May:** must have paid all wages applicable to first 2 JobKeeper Fortnights by this date
- **10 May:** must have paid third JobKeeper fortnight
- **24 May:** must have paid fourth JobKeeper fortnight
- **31 May:** enrolment closes for JobKeeper fortnights in April & May
- Mid June reimbursement for previous JobKeeper Fortnights paid.
- Each JobKeeper fortnight must be actually paid by last day of JobKeeper fortnight
- **Each month:** reconfirm eligibility



8 Steps on how to enrol for the JobKeeper payment (since 20 April onwards)

You must **register** by **30 April** to claim JobKeeper payments for April (if you want to be paid mid May)

Step 1 - Register your interest and subscribe for JobKeeper payment updates.

Step 2 - Check you and your employees meet the eligibility requirements.

Step 3 - Continue to pay at least \$1,500 to each eligible employee per JobKeeper fortnight (the first JobKeeper fortnight is the period from 30 March to 12 April).

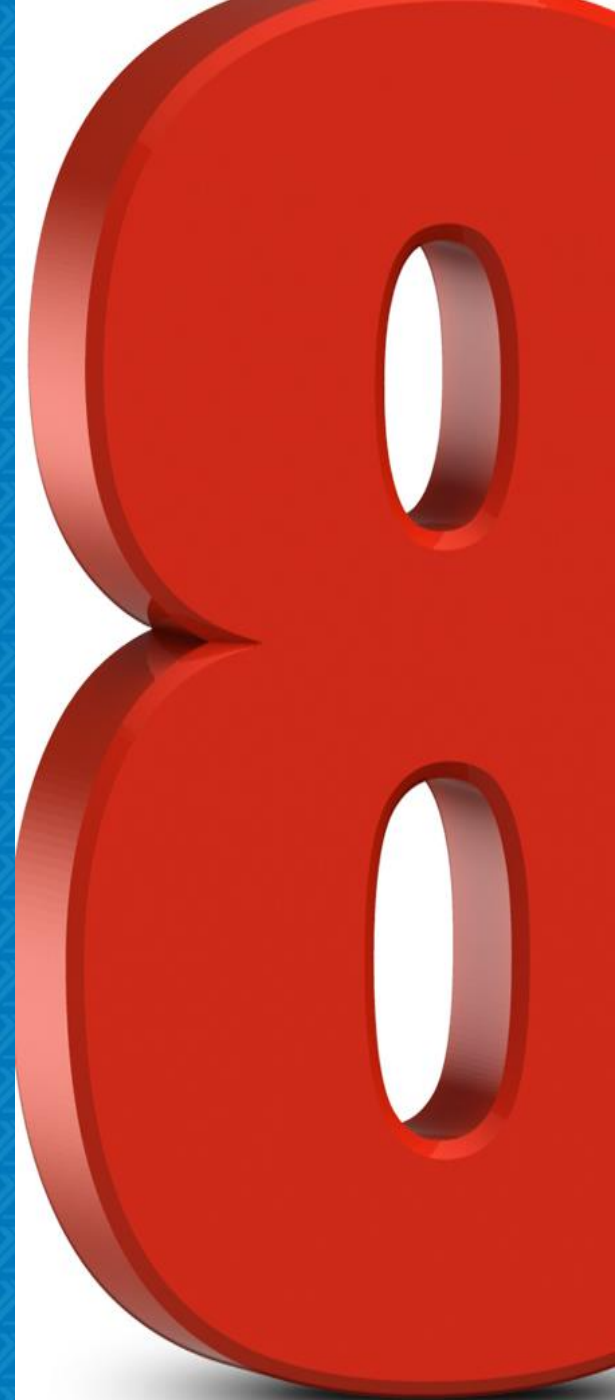
Step 4 - Notify your eligible employees that you are intending to claim the JobKeeper payment on their behalf and check they aren't claiming JobKeeper payment elsewhere.

Step 5 - Send the JobKeeper employee nomination notice to your nominated employees to complete and return to you by the end of April if you plan to claim JobKeeper payment for April. Keep it on file.

Step 6 - Since 20 April 2020, you can enrol with the ATO for the JobKeeper payment using the Business Portal and authenticate with myGovID. Or have your accountant do it for you.

Step 7 - In the online form, provide your bank details and indicate if you are claiming an entitlement based on business participation, for example if you are a sole trader.

Step 8 - 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).



8 Steps for getting paid the JobKeeper Payment

(available from 4 May 2020 onwards)

You or a registered tax agent can apply for the JobKeeper payment for your eligible employees:

Step 1 - Apply to claim the JobKeeper payment by logging in to the [ATO Business Portal](#)

Step 2 - Ensure you have paid each eligible employee a minimum of \$1,500 per JobKeeper fortnight before tax. Identify your eligible employees in the application form

Step 3 - Submit the confirmation of your eligible employees online and wait for your confirmation email or SMS showing it has been received.

Step 4 - Notify your eligible employees you have nominated them.

Step 5 - The ATO will pay you the JobKeeper payment for all eligible employees after receiving your application.

Step 6 - Each month, you will need to reconfirm that your reported eligible employees have not changed through ATO online services, the Business Portal or via your accountant. This will ensure you will continue to receive the JobKeeper payments. You do not need to retest your reported fall in turnover, but you will need to provide some information as to your current and projected turnover. This will be done in your monthly JobKeeper Declaration report.

Step 7 - If your eligible employees change or leave your employment, you will need to notify the ATO through your monthly JobKeeper Declaration report.

Step 8 - The ATO will pay the JobKeeper payment within 14 days after the end of the calendar month in which the fortnight ends. This means worst case you may need rolling bank funding for up to 6 weeks payroll or best case 4 weeks depending on timing of the ATO!

JobKeeper Fortnights

JobKeeper Schedule	Payment Date	\$ Amount	# Fortnights	\$ Balance Out of Pocket	# Fortnights Out of Pocket
FN1	30/04/2020	(\$15,000)	1	15,000	1
FN2	30/04/2020	(\$15,000)	1	30,000	2
FN3	10/05/2020	(\$15,000)	1	45,000	3
REIMB1	14/05/2020	\$30,000	-	15,000	1
FN4	24/05/2020	(\$15,000)	1	30,000	2
FN5	7/06/2020	(\$15,000)	1	45,000	3
REIMB2	14/06/2020	\$30,000	-	15,000	1
FN6	21/06/2020	(\$15,000)	1	30,000	2
FN7	5/07/2020	(\$15,000)	1	45,000	3
REIMB3	14/07/2020	\$30,000	-	15,000	1
FN8	19/07/2020	(\$15,000)	1	30,000	2
FN9	2/08/2020	(\$15,000)	1	45,000	3
REIMB4	14/08/2020	\$30,000	-	15,000	1
FN10	16/08/2020	(\$15,000)	1	30,000	2
FN11	30/08/2020	(\$15,000)	1	45,000	3
FN12	13/09/2020	(\$15,000)	1	60,000	4
REIMB5	14/09/2020	\$45,000	-	15,000	1
FN13	27/09/2020	(\$15,000)	1	30,000	2
REIMB6	14/10/2020	\$30,000	-	-	-

This example is based on weekly payroll of \$15,000

FN = Fortnight

REIMB = Reimbursement from Government

JobKeeper Fortnights

FN	Dates	Allowance Description
01	30/03/2020-12/04/2020	JOBKEEPER-START-FN01
02	13/04/2020-26/04/2020	JOBKEEPER-START-FN02
03	27/04/2020-10/05/2020	JOBKEEPER-START-FN03
04	11/05/2020-24/05/2020	JOBKEEPER-START-FN04
05	25/05/2020-07/06/2020	JOBKEEPER-START-FN05
06	08/06/2020-21/06/2020	JOBKEEPER-START-FN06
07	22/06/2020-05/07/2020	JOBKEEPER-START-FN07
08	06/07/2020-19/07/2020	JOBKEEPER-START-FN08
09	20/07/2020-02/08/2020	JOBKEEPER-START-FN09
10	03/08/2020-16/08/2020	JOBKEEPER-START-FN10
11	17/08/2020-30/08/2020	JOBKEEPER-START-FN11
12	31/08/2020-13/09/2020	JOBKEEPER-START-FN12
13	14/09/2020-27/09/2020	JOBKEEPER-START-FN13

A microscopic view of several coronavirus particles, characterized by their spherical shape and numerous red, spike-like protrusions. The background is a dark blue gradient with small, light blue particles scattered throughout.

Boosting Cash flow
for Employers

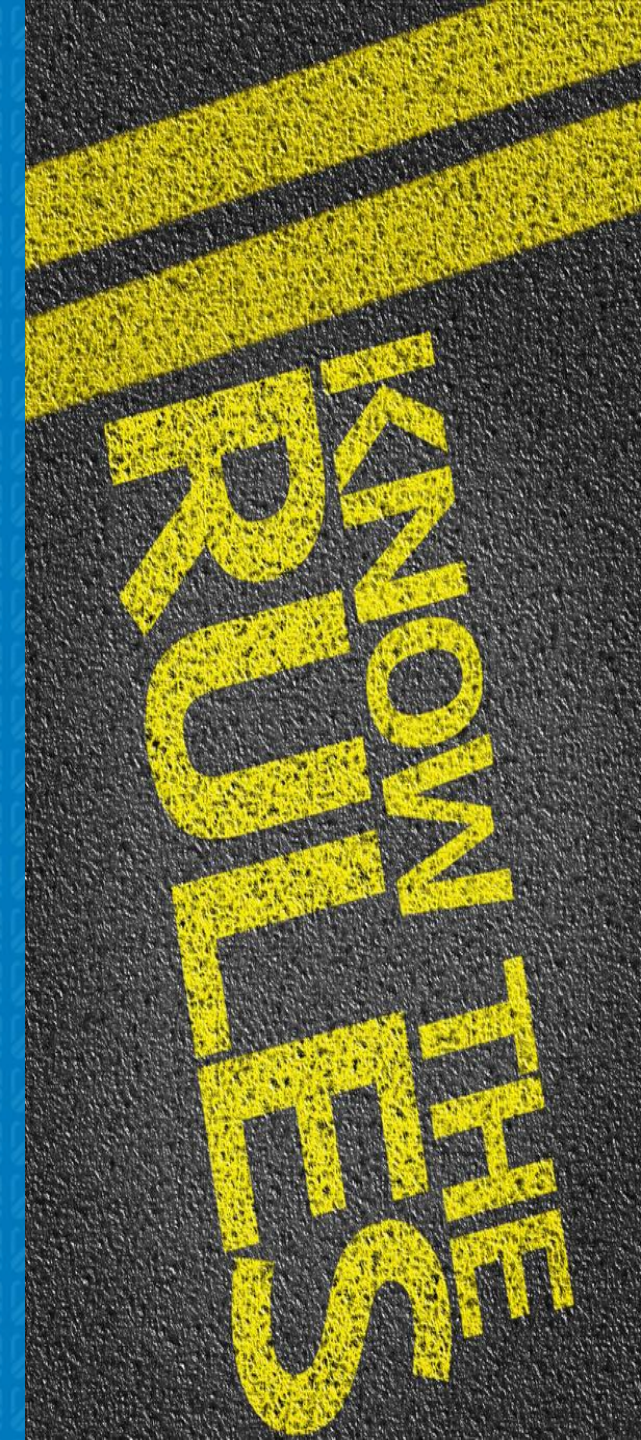
Know the Rules for Cash Flow Boost

Eligibility for the Boosting Cash Flow for Business is subject to a specific integrity rule that is designed to stamp out artificial or contrived arrangements that are implemented to obtain access to this measure. In particular, if an employer or an associate enters into a scheme with the sole or dominant purpose of obtaining or increasing any of the above payments for a particular employer, for a period, the employer will not be eligible for any such payments for the relevant period.

Payments will only be available to active eligible employers established prior to 12 March 2020.

Please note for smaller business's where directors fees are being paid every year and registered for GST we are able to lodge a June BAS with the expected directors fee and PAYG Withholding payment.

Also for some business's we have put through a March YTD directors fee to represent trading pre Covid-19. See next slide for how to deal with ATO.



Cash Flow Booster– Directors Fees

Cash Flow Booster please note the following points if phoned by the ATO.

Directors Fees and PAYG

- From the 1 July 2019 changes to the law for tax deductibility of payments for directors fees took effect.
- If PAYG is not withheld from directors fees the organisation paying them can't claim a tax deduction.

Directors fees to recognise trading Pre Covid-19

- We have made payments to directors at 31 March 2020 to represent how the business has been trading pre Covid-19.

Please note the following:

Wages has to be transferred from Business bank to individuals bank

Directors fees paid need to be consistent with previous years.



PAYG Withholding – Directors Fees

In regard to their legislation implemented 01/07/2019

Legislation - Section 26.105 Income Tax Assessment Act 1997

- **Non-compliant payments for work and services**

No deduction if amount not withheld or Commissioner not notified

(1) You cannot deduct under this Act a payment if:

(a) any of the following provisions in Schedule 1 to the Taxation Administration Act 1953 require you to withhold an amount from the payment:

(ii) **section 12-40** (about payments to directors);

The amendments made by this Schedule apply in relation to a payment made, or a non-cash benefit provided, on or after 1 July 2019.

- http://classic.austlii.edu.au/au/legis/cth/num_act/tlaetmn2a2018587/sch1.html

Legislation - TAXATION ADMINISTRATION ACT 1953 - SCHEDULE 1

- **12-40 Payment to company director**

A company must withhold an amount from a payment of remuneration it makes to an individual:

(a) if the company is incorporated--as a director of the company, or as a person who performs the duties of a director of the company; or

(b) if the company is not incorporated--as a member of the committee of management of the company, or as a person who performs the duties of such a member.

- http://classic.austlii.edu.au/au/legis/cth/consol_act/taa1953269/sch1.html





PAYG Withholding Monthly

Employers that withhold tax to the ATO on their employees' salary and wages will receive a payment equal to 100 per cent of the amount withheld, up to a maximum payment of \$50,000.

Monthly lodgers will be eligible to receive the payment for:

- March 2020 (300% PAYG Withheld)
- April 2020
- May 2020
- June 2020

To provide a similar treatment to quarterly lodgers, the payment for monthly lodgers will be calculated at three times the rate (300 per cent) in the March 2020 activity statement.

Additional Payment

For monthly activity statement lodgers, the additional payments will be delivered as an **automatic credit** in the activity statement system. This will be **equal** to a quarter (25%) of their total initial Boosting Cash Flow for Employers.

The ATO will deliver the payment as a credit to the entity upon lodgment of their activity statements. Where this places the entity in a refund position, the ATO will deliver the refund within 14 days.

PAYG Withholding Quarterly

Employers that withhold tax to the ATO on their employees' salary and wages will receive a payment equal to 100 per cent of the amount withheld, up to a maximum payment of \$50,000.

Quarterly lodgers will be eligible to receive the payment for:

- March 2020
- June 2020

Additional Payment

For quarterly activity statement lodgers the additional payments will be delivered as an **automatic credit** in the activity statement system. This will be equal to half (50%) of their total initial Boosting Cash Flow for Employers.

The ATO will deliver the payment as a credit to the entity upon lodgment of their activity statements. Where this places the entity in a refund position, the ATO will deliver the refund within 14 days.



Sarah's Construction Business

(Monthly PAYG)

Sarah owns and runs a building business and employs 8 construction workers on average full-time weekly earnings, who each earn \$89,730 per year. Sarah reports withholding of \$10,000 for her employees on each of her monthly Business Activity Statements (BAS).

Under the Government's changes, Sarah will be eligible to receive the payment on lodgment of her BAS. Sarah's business receives:

- A credit of \$30,000 for the March period, equal to 300 per cent of her total withholding.
- A credit of \$10,000 for the April period.
- A credit \$10,000 for the May period, as she has now reached the \$50,000 cap no credit is available for June.
- An additional payment of \$12,500 for the June period, equal to 25 per cent of her total Boosting Cash Flow for Employers payments.
- An additional payment of \$12,500 for the July period, equal to 25 per cent of her total Boosting Cash Flow for Employers payments.
- An additional payment of \$12,500 for the August period, equal to 25 per cent of her total Boosting Cash Flow for Employers payments.
- An additional payment of \$12,500 for the September period, equal to 25 per cent of her total Boosting Cash Flow for Employers payments.

Boosting Cash Flow for Employers measure - \$50,000 (March, April, May)

Additional Payments - \$50,000 (June, July, August, September)

Total Payments - \$100,000



Sean's Hairdresser Salon

(Monthly PAYG)

Sean owns a hairdresser's salon on the Gold Coast. He employs 12 hairdressers, with average salary of \$50,000 per year. Sean reports withholding of \$6,500 for his employees in each of his monthly BAS.

Under the Government's changes, Sean will be eligible to receive the payments on lodgment of his relevant BAS.

Sean's business will receive:

- A credit of \$19,500 for the March period, equal to 300 per cent of total withholding.
- A credit of \$6,500 for the April period.
- A credit of \$6,500 for the May period.
- A credit of \$6,500 for the June period, (PAYG Withheld claimed \$39,000). Sean will also receive an additional payment of \$9,750 for the June period, equal to 25 per cent of his total Boosting Cash Flow for Employers payments.
- An additional payment of \$9,750 for the July period, equal to 25 per cent of his total Boosting Cash Flow for Employers payments.
- An additional payment of \$9,750 for the August period, equal to 25 per cent of his total Boosting Cash Flow for Employers payments.
- An additional payment of \$9,750 for the September period, equal to 25 per cent of his total Boosting Cash Flow for Employers payments.

Boosting Cash Flow for Employers measure - \$39,000 (March, April, May)

Additional Payments - \$39,000 (June, July, August, September)

Total Payments - \$78,000



Greg's Bus Run

(Quarterly PAYG)

Greg runs a small bus run business and employs two casual employees who each earn \$45,000 per year. In his quarterly BAS, Tim reports withholding of \$7,000 for his employees.

Under the Government's changes, Tim will be eligible to receive the payment on lodgment of his BAS.

Tim's business will receive:

- A credit of \$10,000 for the March quarter. (\$10,000 Minimum received)
- A credit of \$4,000 for the June quarter. An additional payment of \$7,000 for the June quarter, equal to 50 per cent of his total Boosting Cash Flow (\$14,000) for Employers payments.
- An additional payment of \$7,000 for the September quarter, equal to 50 per cent of his total Boosting Cash Flow (\$14,000) for Employers payments.

Boosting Cash Flow for Employers measure - \$14,000 (March, June)

Additional Payments - \$14,000 (June, September)

Total Payments - \$28,000



Tim's Courier Run

(Quarterly PAYG)

Tim owns and runs a small paper delivery business and employs two casual employees who each earn \$10,000 per year. In his quarterly BAS, Tim reports withholding of \$0 for his employees as they are under the tax-free threshold.

Under the Government's changes, Tim will be eligible to receive the payment on lodgment of his BAS.

Tim's business will receive:

- A credit of \$10,000 for the March quarter, as he pays salary and wages but is not required to withhold tax.
- An additional payment of \$5,000 for the June quarter, equal to 50 per cent of his total Boosting Cash Flow for Employers payments (\$10,000).
- An additional payment of \$5,000 for the September quarter, equal to 50 per cent of his total Boosting Cash Flow for Employers payments. (\$10,000)

If Tim begins with holding tax for the June quarter, he would need to withhold more than \$10,000 before he receives any additional payment.

Boosting Cash Flow for Employers measure - \$10,000 (March)

Additional Payments - \$10,000 (June, September)

Total Payments - \$20,000



The background features a blue gradient with several 3D-rendered virus particles, each with a grey core and red, spike-like protrusions. A large white diamond shape is centered on the page, containing the text. The bottom half of the page has a dark blue background with a repeating geometric pattern.

JOBKEEPER

Alternative Test

23 April 2020

ATO Releases JobKeeper Alternative Test

The alternative tests will only kick in if an entity cannot satisfy the basic decline in turnover test. We believe most clients who fail the basic test will be looking at test No 1 or 4. The alternative tests will only apply to seven circumstances, as below:

Tests

1. Business Commenced (*less than 12 months ago*)
2. Business acquisition or disposal that changed the entity's turnover
3. Business restructure that changed the entity's turnover
4. Business had substantial increase in turnover (*ie where prior year turnover is not representative of this year's turnover/business operations*)
5. Business affected by drought or natural disaster
6. Business has an irregular turnover
7. Sole trader or small partnership with sickness, injury or leave



JobKeeper Alternative Test

Test 1. These include where an entity commenced business after the relevant comparison period in 2019 or the business did not exist in the relevant comparison period and as a result there was no relevant comparison period in 2019.

Test 2 & 3. It will also cover a circumstance where an entity acquired or disposed of part of their business after the relevant comparison period in 2019; and where an entity has restructured part or all of their business after the relevant comparison period in 2019.

Test 4. Entities who had an increase in turnover by 50% or more in the 12 months immediately before the applicable turnover test period, or 25% or more in the 6 months immediately before the applicable turnover test period, or 12.5% or more in the 3 months immediately before the applicable turnover test period will also be covered.

Test 5. The alternative test will also cover entities affected by a drought or other natural disaster in the relevant comparison period in 2019; and entities who have an irregular turnover that is not cyclical, such as can occur in the building and construction sector.

Test 7. A sole trader or a small partnership where the sole trader or one of the partners did not work for all or part of the relevant comparison period because they were sick, injured or on leave during the relevant comparison period and those circumstances affects the turnover of the sole trader or partnership will also be covered



SURVIVING THROUGH COVID-19
BUSINESS GUIDE &
7 POINT CHECKLIST

Last updated with current Government announcements 14 April 2020



Surviving through Covid-19: Business Guide & 7 Point Checklist

Download via our website on
the Covid-19 page

www.trinityaccountants.com.au

7 Point Checklist

Have you completed?	Action
1. Check your eligibility for Government assistance. Talk to Trinity Accountants for clarity	<input type="checkbox"/>
2. Review all current debts (business and personal) and negotiate with banks and other financiers to stop repayments where applicable	<input type="checkbox"/>
3. Communicate with your Staff regularly	<input type="checkbox"/>
4. Convert debtors to cash and look after other small business owners	<input type="checkbox"/>
5. Seek advice on deferring tax payments (BAS, Income and Super etc.)	<input type="checkbox"/>
6. Negotiate with your commercial landlord – mandatory code gives a way forward for Minimum concessions	<input type="checkbox"/>
7. After all this is done, act like a CFO, prepare interims, a monthly cashflow FORECAST and update every month.	<input type="checkbox"/>



A microscopic view of several coronavirus particles, characterized by their spherical shape and numerous red, spike-like protrusions. The background is a dark blue gradient with small, light blue particles scattered throughout.

JOBKEEPER Support Package

Updated
21 April 2020

JobKeeper Overview Recap

The JobKeeper Payment is a **wage subsidy** that will be administered by the ATO to eligible businesses impacted by the Coronavirus (broadly a revenue fall of at least 30%). Under the scheme, eligible businesses will receive a fixed reimbursement of **\$1,500 per fortnight per eligible employee** and/or for **one eligible business participant** (i.e., an eligible sole trader, partner, company director or shareholder or trust beneficiary).

The subsidy will be paid for a maximum period of **six months (i.e., from 30 March 2020 up until 27 September 2020)**. It will be paid to eligible businesses monthly in arrears, into their **nominated bank account** with the first payments to employers commencing from the **first week of May 2020**. The JobKeeper Payment will ensure that eligible **employees (and, where applicable, eligible business participants)** receive a **minimum gross payment (i.e., before tax) of \$1,500 per fortnight** for the duration of the scheme.

All JobKeeper payments are assessable income of the business that is eligible to receive the payments. The JobKeeper payment is **not** subject to GST.



How to calculate a fall in turnover to get paid for the **FIRST JOBKEEPER FORTNIGHT** starting 30 March 2020

An employer will **only** be eligible to receive a JobKeeper Payment in respect of an 'eligible employee' if, at the time of applying the employer estimates that their actual or projected GST turnover has fallen by **30% or more**.

To work out your fall in turnover, you can compare either:

Monthly

- GST turnover for March 2020 with GST turnover for March 2019
- projected GST turnover for April 2020 with GST turnover for April 2019

Quarterly

- projected GST turnover for the quarter starting April 2020 with GST turnover for the quarter starting April 2019.

How you choose to project your fall in turnover is not dependent on whether you report a quarterly or monthly BAS, though you can do that if it is easier.

The **ATO has been given the discretion** to set out **alternative tests** that can establish your eligibility when turnover periods are not appropriately comparable.



Practical Tip 1 - Gathering information on decline in turnover

Identify the turnover test period

Choose whether you are comparing your monthly or quarterly turnover. You can choose to compare the relevant month or quarter, regardless of whether you report quarterly or monthly.

For qualification from the start of the scheme (30 March), the turnover month used can be either March 2020 or April 2020.

To qualify at a later time, the turnover month can also be May, June, July, August or September 2020, provided that the turnover month is the month in which the first fortnight for which you claim the JobKeeper payment ends, or another earlier month.

In other words, you will only be eligible for JobKeeper payments for JobKeeper fortnights that end on or after your turnover test period starts.

If turnover for a quarter is being used, it can be the quarter:

1 April 2020 to 30 June 2020

1 July 2020 to 30 September 2020, **but** only if first seeking to qualify for fortnights ending in July 2020 or later.

Example - Turnover test period

Debra runs a beauty salon and she applies for the JobKeeper scheme during the first fortnight that the scheme started operating. This fortnight ends on 12 April 2020.

The turnover test period for Debra can be:

the month of March 2020 or April 2020, or

the quarter from 1 April 2020 to 30 June 2020.



Practical Tip 1 - Gathering information on decline in turnover

Identify the relevant comparison period

This must be the same period in 2019 that corresponds to the turnover test period.

There may be situations where the turnover in the corresponding period in 2019 does not provide an appropriate relevant comparison. In these situations, you will need to consider the alternative test.

Example - Relevant comparison period

Debra identifies the relevant comparison period in 2019.

For the month of April 2020, the relevant comparison period would be April 2019.

For the quarter of 1 April 2020 to 30 June 2020, the relevant comparison period is 1 April 2019 to 30 June 2019.



Practical Tip 1 - Gathering information on decline in turnover

Work out the relevant GST turnover

You need to determine:

- for the turnover test period – what your projected GST turnover will be
- for the comparison period – what your current GST turnover was in 2019.

Projected GST turnover and current GST turnover excludes the following:

- GST you included in sales to your customers (if any)
- sales that are input taxed sales (e.g. bank interest, sale of shares, residential rental income)
- sales not connected with an enterprise that you carry on (e.g. sale of private car)
- sales that are not made for payment (unless a taxable supply to an associate)
- **payments for no supply (e.g. JobKeeper payments)**
- gifts and donations (except for deductible gift recipients and ACNC-registered charities as discussed above)
- sales not connected with Australia, for example:
 - sales of services made through a business you carry on outside Australia
 - sales of goods purchased and sold from a place outside Australia
 - sale of real property situated outside Australia



Practical Tip 1 - Gathering information on decline in turnover

Cash or accruals basis

You may use an accruals basis of accounting to calculate both the current GST turnover and projected GST turnover as both calculations require you to include sales that you have made or are likely to make without any reference to when you are paid.

However, if you prepare your activity statements on a cash basis, the ATO will allow you to calculate both the current and projected GST turnovers on a cash basis. The basis used must be the same for calculating your projected and current GST turnover.

Estimating your projected GST turnover

You need to identify the sales you made, or are likely to make, during the turnover test period.

Given that you can test eligibility part way through a period, when applying the fall in turnover test, you need to consider what you expect to happen for the remainder of that period. Relevant considerations include:

- the period during which the business is not expected to trade because it has been closed due to the coronavirus, or its ability to trade has been restricted
- recent patterns in trading that are expected to continue
- revised business plans.

The reasons for a fall or expected fall in turnover are not prescribed and are not limited only to the direct impacts of the coronavirus.

Talk to your Accountant

Talk to your Accountant to start collating relevant information



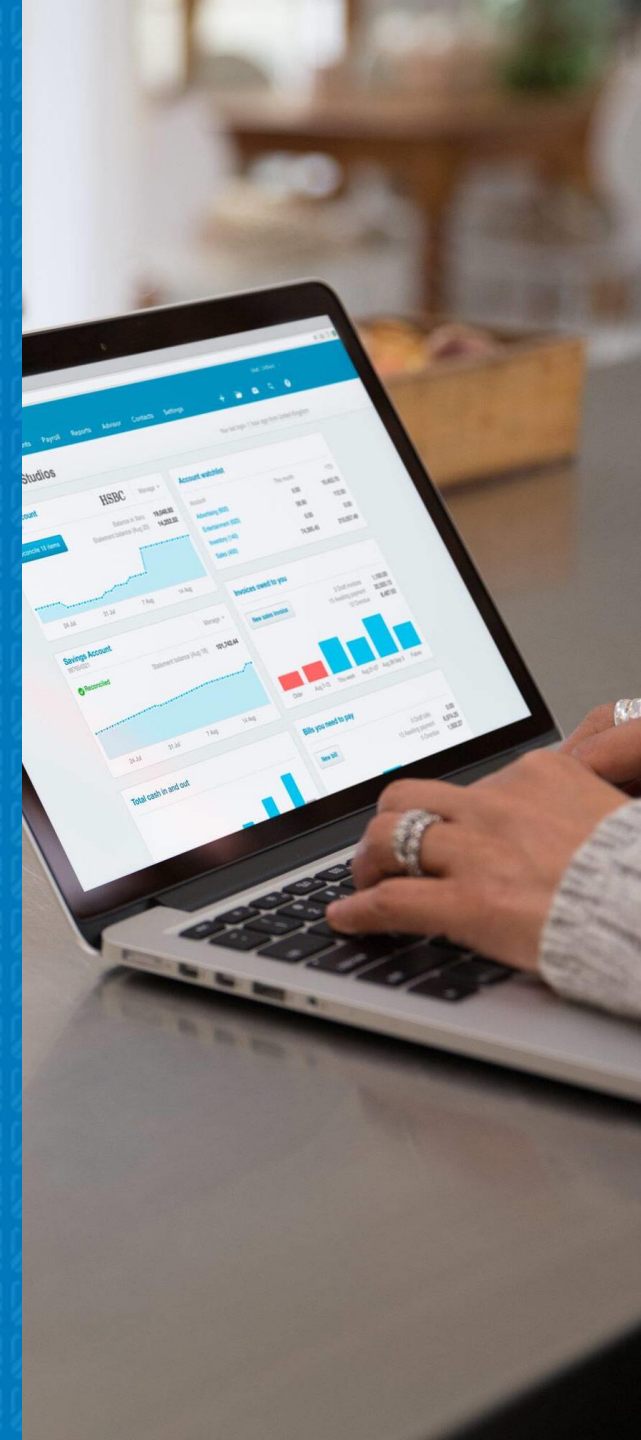
Practical Warning

Employers must register for the scheme ASAP as no backpay (except April)

An employer can only be entitled to a JobKeeper Payment where they are registered under the JobKeeper Scheme before the end of any relevant JobKeeper Payment fortnight.

Notably, an exception applies for the first two JobKeeper fortnights (which started on the 30 March 2020 and end on 26 April 2020) whereby an employer is **required to be registered by 30 April 2020** if they want to receive first reimbursement from Gov in mid May. Of note you can register for the first 2 JobKeeper Fortnights up until 30th May but you wont be reimbursed until Mid June.

After you have worked out you are an eligible employer, you then need to check whether your employee or employees are eligible.



Eligible Employers Recap

If your business (which has been active on 01 March 2020) has been or you think will be affected by the coronavirus (i.e. showing at least a 30% fall in turnover), you may be eligible to access the JobKeeper payment.

Employers can choose to participate in the scheme and then nominate the employees they are entitled to claim for. An employer can choose not to participate in the JobKeeper payment. An employee can choose to not be included but an employer has to offer JobKeeper option to all employees once the employer decides to use the scheme.

You will be able to **enrol** in the JobKeeper scheme from **20 April 2020** using an online form on the ATO website. After you enrol, you will later identify your specific eligible employees and submit the information to the ATO.



When can a business claim the JobKeeper Payment for a business participant?

The JobKeeper Scheme also recognises that certain participants in a business (such as a sole trader) have also been affected by the economic downturn caused by the Coronavirus.

Accordingly, in order to provide a benefit to such business participants, payments can also be made to an entity in respect of what is referred to as an **eligible business participant** (i.e., generally controlling individuals who are not employees of their business).

A 'business participant' is an individual who is **actively engaged** in the business carried on by the entity (i.e., in the operations and activities of the entity) and is either:

- a sole trader;
- an individual partner of a partnership;
- a director or individual shareholder of a company; or
- an adult beneficiary of a trust.

Importantly, however, while a business may have more than one business participant, it can only nominate **one** of these individuals (who becomes the 'eligible business participant') in respect of whom it can receive a JobKeeper Payment. Obviously, no nomination is needed where the individual is a sole trader. But if you are being genuinely being paid a wage by your business (as a employee of a trust or company) then you fall under the normal employee eligibility rules. Remember sole traders and partnerships cannot pay wages to owners.



Further, a JobKeeper Payment can only be claimed by an eligible business in respect of the nominated eligible business participant where **all of the relevant conditions are satisfied**, some of which include:

(a) The business meets the decline in turnover test

(b) The business had an **ABN on or before 12 March 2020** (or such later time that the Commissioner allows) and either the business entity:

- had an amount included in its assessable income for the 2019 income year and it was included in their income tax return lodged on or before 12 March 2020 (or such later time as allowed by the Commissioner); or
- made a supply during the period **1 July 2018 to 12 March 2020 and provided this information to the Commissioner (i.e., in a BAS that was lodged) on or before 12 March 2020** (or such later time as allowed by the Commissioner).

(c) The relevant **business participant** was:

- **actively engaged** in the business (i.e., in the operations and activities of the entity) as at 1 March 2020;
- **not** entitled to another JobKeeper Payment, either as a nominated eligible business participant of another business (e.g., as a director or beneficiary) or as an eligible employee;
- **not a permanent employee of any other employer**;
- at least 16 years of age as at 1 March 2020; and
- on 1 March 2020, either:
 - a resident of Australia for *social security* purposes (e.g., an Australia citizen, a holder of a permanent visa or a holder of a protected special category visa); or
 - a resident of Australia for *tax* purposes and was a holder of a Subclass 444 (Special Category) visa.

Register your interest as a business participant on the same form used to apply for employees.

What do you need to do for your employees

You need to identify which employees you intend to claim the JobKeeper payment for and tell them you intend to claim the JobKeeper payment for them.

If your employees have multiple employers, they can usually choose which employer they want to nominate through. However, if your employees are long-term casuals and have other permanent employment, they must choose the permanent employer. They cannot receive the JobKeeper payment from more than one employer.

If an employee is currently receiving an income support payment, they must notify [Services Australia](#) of their new income to avoid incurring a debt that they will have to repay.



Who is an eligible employee?

Your employee is **eligible** under the JobKeeper Payment scheme if they:

- are employed by you (including those stood down or re-hired)
- were either a
 - permanent full-time or part-time employee at 1 March 2020
 - long-term casual employee (employed on a regular and systematic basis for at least 12 months) as at 1 March 2020 and not a **permanent** employee of any other employer
- were at least 16 years of age on 1 March 2020
- were an Australian resident as at 1 March 2020, and are one of an Australian citizen, the holder of a permanent visa, or a Special Category Visa Holder.
- were not in receipt of any government funded parental leave or dad and partner pay nor are they fully supported by a workers compensation scheme
- agree to be nominated by you and have not given any other employer a nomination notice (see below).



How to Nominate an employee

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 for five years as part of their record keeping obligations under the law.



How and when to pay employees

You need to re-start or continue to pay your eligible employees at least \$1,500 a fortnight in line with your **existing pay cycle** through your **existing payroll solution**.

You should pay your employees for each JobKeeper fortnight you plan to claim for. The first fortnight is from 30 March – 12 April and each JobKeeper fortnight follows after that.

April has special rules:

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 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. If you usually pay your employees less frequently than fortnightly, the payment can be allocated between fortnights in a reasonable manner. For example, if you pay your employees on a monthly pay cycle, your employees must have received the monthly equivalent of \$1,500 per fortnight.

You cannot claim the JobKeeper payment in advance. The JobKeeper payment is a reimbursement from the ATO to an employer in arrears, and cannot be paid in advance in any circumstances.



How much to pay

You must pay the minimum \$1,500 before tax to each eligible employee per fortnight to claim the JobKeeper payment for that fortnight. You cannot pay your employees less than \$1,500 per fortnight and keep the difference. The minimum \$1,500 (before tax) payment requirement will operate as follows:

- (a) If an employee has been receiving *at least* \$1,500 in gross salary income per fortnight since 30 March 2020, they will continue to receive their regular income according to their prevailing workplace arrangements. In this case, the JobKeeper Payment will effectively subsidise the first \$1,500 of the employee's gross fortnightly salary income.
- (b) If an employee has been receiving *less than* \$1,500 in gross salary income per fortnight since 30 March 2020, the employer must pay the employee a **'top-up' payment** to ensure the employee has been paid at least \$1,500 per fortnight to be eligible to receive the JobKeeper Payment. This means some employees will receive more than their ordinary salary and wages derived from the employer.
- (c) If an employee has been **stood down** without pay after 1 March 2020 their employer must pay the employee a minimum gross fortnightly salary income of \$1,500 from 30 March 2020, to be eligible to receive the JobKeeper Payment in respect of the employee.
- (d) If an employee was **employed on 1 March 2020**, has subsequently **ceased employment** with their employer, and then has been **re-engaged** by the same employer, the employer must pay the employee a minimum gross fortnightly salary of \$1,500 under the JobKeeper Scheme.

Note: the minimum payment must be made by the **last day of the fortnight**. However, the ATO has already exercised its discretion to allow employers to make the minimum payment for the first two fortnights **by the end of April 2020**. Going forward, the minimum payment will need to be strictly made by the end of the relevant fortnight.

Superannuation Guarantee

New rules are being introduced by the government with the intention to not require super guarantee to be paid on additional payments that are made to employees as a result of JobKeeper payments.



Examples

Employer with employees on different wages

Adam owns a real estate business with two employees. The business is still operating at this stage but Adam expects that GST turnover will fall by more than 30% in the coming months. The employees are:

- Anne, who is a permanent full-time employee on a salary of \$3,000 per fortnight before tax and who continues working for the business, and
- Nick, who is a permanent part-time employee on a salary of \$1,000 per fortnight before tax and who continues working for the business

Adam is eligible to receive the JobKeeper payment for each employee, which would have the following benefits for the business and its employees.

The business continues to pay Anne her full-time salary of \$3,000 per fortnight before tax, and the business will receive \$1,500 per fortnight from the JobKeeper payment to subsidise part of the cost of Anne's salary.

The business continues to pay Nick his \$1,000 per fortnight before tax salary and an additional \$500 per fortnight before tax, totalling \$1,500 per fortnight before tax. The business receives \$1,500 per fortnight from the JobKeeper payment, which will subsidise the cost of Nick's salary.

Adam can obtain nomination forms from each of Anne and Nick, enrol in the JobKeeper scheme, and apply for JobKeeper payments by providing the ATO with details about his eligible employees. In addition, Adam is required to advise his employees that he has nominated them as eligible employees to receive the payment. Adam will provide information to the ATO on a monthly basis and receive the payment monthly in arrears.



Examples

Employer with employees who have been stood down without pay

Zahrah runs a beauty salon. Ordinarily, she employs three permanent part-time beauticians, but the government directive that beauty salons can no longer operate has required her to shut the business. As such she has been forced to stand down her three beauticians without pay.

Zahrah's turnover will likely fall by more than 30%, so she can be eligible to apply for the JobKeeper payment for each employee, and pay at least \$1,500 per fortnight before tax to each of her three beauticians for the period up to 27 September.

Zahrah is required to advise her employees that she has nominated them as eligible employees to receive the payment.

If Zahrah's employees have already started receiving income support payments like the JobSeeker payment when they receive the JobKeeper payment, they should advise Services Australia of their change in circumstances online at my.gov.au or by phone to avoid incurring a debt that they will need to repay.



Frequently Asked Questions

A number of these commonly asked questions are addressed below.

Question 1: Do businesses have to meet the decline in turnover test on an ongoing basis?

The answer is **No**. Whilst a business must satisfy the decline in turnover test in order to be entitled to a JobKeeper Payment, once it is satisfied, there is **no requirement to retest** in later JobKeeper Payment fortnights. That is, the decline in turnover test **only needs to be satisfied once**. As a result, if a business can demonstrate that its turnover has been adversely impacted by at least **30%**, then it will continue to meet this requirement even if its turnover subsequently recovers in later JobKeeper fortnights.

Question 2: What if a business's turnover has not decreased (e.g., by 30%) but it is predicted to do so in the coming month?

An employer can apply for the JobKeeper Scheme where it is **reasonably expected** that its GST turnover will fall by **30%** or more relative to its GST turnover in a corresponding period a year earlier. Treasury has advised that the ATO will provide guidance about self-assessment of actual and anticipated falls in turnover. Additionally, if a business does not meet the decline in turnover test as at 30 March 2020, the business can start receiving the JobKeeper Payment at a later time, once the decline in turnover test has been met. However, in this case, the JobKeeper Payment will **not** be backdated to the commencement of the scheme, although businesses can receive JobKeeper Payments up to 27 September 2020.



Frequently Asked Questions

Question 3: Are employers required to continue to pay employees to qualify for the JobKeeper Payment?

The answer is **Yes**. Employers are required to satisfy the 'wage condition' in respect of an employee for the relevant JobKeeper fortnight in order to qualify for the JobKeeper Payment for that employee. As a reminder, the first JobKeeper fortnight commenced on **Monday 30 March 2020 and ended on Sunday 12 April 2020** (i.e., the first JobKeeper fortnight has already ended). Broadly speaking, a payment under the scheme is meant to be a **reimbursement** to the employer of an amount **already paid** to an eligible employee (who is participating in the JobKeeper Scheme). Specifically, the 'wage condition' requires the employer to **pay each eligible participating employee at least \$1,500 for each JobKeeper fortnight**, which can be represented by salary, wages, PAYG withholding, salary-sacrificed superannuation contributions and other amounts applied or dealt with on behalf of the employee (i.e., an add-back of any salary sacrificed in return for fringe benefits). If employers have insufficient cashflow to make such payments, Treasury has encouraged such businesses to speak to their banks about using the upcoming JobKeeper Payment as 'collateral' to seek short-term finance to pay their employees.

TIP - ATO concession for the first two JobKeeper fortnights

In the event that an employer does **not** meet the 'wage condition' (i.e., they have not paid an eligible employee a minimum amount of \$1,500 in the fortnight), then they have not met all the requirements to be entitled to the JobKeeper Payment.

However, the Commissioner does have the power to treat a particular event (e.g., a payment) that happened in a fortnight as having happened in a different fortnight if the Commissioner believes that it is reasonable to do so. In this regard, the ATO has advised that for the **first two fortnights** (i.e., the fortnights ending 12 April 2020 and 26 April 2020), it will accept the minimum \$1,500 as being paid in each fortnight, even if it has been paid late, **provided it is paid by the end of April**. As such, the ATO has effectively granted businesses an extension of time to pay the required \$1,500 per fortnight to their eligible employees for the purposes of meeting the JobKeeper Payment requirements.

Frequently Asked Questions

Question 4: If employees have been stood down after 1 March 2020 does an employer need to pay them?

The answer is Yes. As discussed above, employers will need to make payments to eligible employees, including employees who have been stood down. This means the employer must pay the stood down employee a minimum of \$1,500 per fortnight (before tax) in the relevant fortnight (subject to the concession in the TIP above). Where an employer pays their staff monthly, the monthly payment must be equivalent to the required fortnightly payments. For subsequent payment periods, an employer will need to continue to pay these employees who have been stood down a minimum of \$1,500 (before tax) before the end of each relevant JobKeeper fortnight.

Question 5: Can employers select which of their eligible employees are covered by the JobKeeper Scheme?

The answer is No. Once an employer decides to participate in the JobKeeper Scheme, they must ensure that **all** of their eligible employees (who have agreed to be nominated for the scheme) participate in the scheme. This applies to all eligible employees (i.e., irrespective of whether they are still working for the employer or they have been stood down). As the scheme is operated on an 'one in, all in' basis, employers **cannot** 'pick and choose' which eligible employees will be able to participate in the scheme.



Frequently Asked Questions

Question 6: Are the JobKeeper Payments from the ATO assessable income to the business?

The answer is Yes. The salary or wage payments made by the business to their employees are allowable deductions and the reimbursement (up to \$1500 limit) is therefore income. Inevitably, a timing mismatch may arise in relation to the income year in which the assessable income is included and the income year in which the allowable deductions are claimed. This is because the salary and wages are required to be paid *before* a JobKeeper Payment is received from the ATO, however, this would generally work to the employer's advantage. Specifically, there would be a timing mismatch in deductions claimed for salary and wages paid in June 2020 (deductible in the 2020 income year), whilst the JobKeeper Payment would not be received until, and hence assessable to the business in, July 2020 (i.e., the 2021 income year).

Question 7: Are employers required to deduct PAYG withholding from the amounts paid to employees?

The answer is Yes. Broadly speaking, employers are required to make payments of at least \$1,500 to each eligible employee every JobKeeper fortnight. To the extent that these payments take the form of salary or wages, they would constitute assessable income to the employees, which means that employers would be required to deduct the appropriate amount of PAYG withholding. Therefore, on the basis that each eligible employee will receive at least \$1,500 per fortnight, then at least **\$192** of PAYG withholding will need to be deducted (based on a fortnightly payment cycle) where the employee is claiming the tax-free threshold (assuming no salary packaging arrangement is in place).



Frequently Asked Questions

Question 8: Are employers subject to Superannuation Guarantee ('SG') in relation to any extra JobKeeper Payments?

The answer is No. The Government's intention is that employers will only be required to make SG contributions for amounts payable to an employee in respect of their actual employment, which would **not** include any **extra** payments made by the employer to satisfy the \$1,500 JobKeeper Payment 'wage condition'. At the time of writing, the law is yet to be amended to reflect this. For example, if an employee ordinarily earns \$1,000 a fortnight and is 'topped-up' by \$500 to \$1,500 a fortnight, the employer will be required to pay SG in relation to the 'usual' \$1,000 but may lawfully decide not to pay SG on the additional \$500 payment, which is solely attributable to the JobKeeper Payment. In other words, in relation to the extra top-up amounts paid to the employee, it is up to the employer if they want to pay superannuation on these additional wages paid by the JobKeeper Payment. There no SGC if the employee is stood down.

Question 9: Can businesses get the JobKeeper Payment in respect of workers who are engaged through a labour hire firm?

The answer is, unfortunately, No. Businesses will **not** qualify for a JobKeeper Payment in respect of workers engaged through a labour hire firm. In order to qualify for the JobKeeper Payments, the individual must either be an eligible employee or an eligible business participant. In the case of workers who are engaged by the business through a labour hire firm, they do not generally have an employment relationship with the business, rather, the contractual relationship is between the business and the labour hire firm. As such, these workers are **not** employees of the business, which means the business will not qualify for JobKeeper Payments in respect of these workers.

BUT all is not lost! - Labour hire firms MAY qualify for JobKeeper Payments DIRECTLY

Whilst these workers do not have an employment relationship with the business that they perform their services for, they may have an employment relationship with the labour hire firm that they are engaged through. To the extent that these workers are 'employees' of the labour hire firm, then where the labour hire firm meets the relevant qualifying requirements, it may qualify for the JobKeeper Payment.

Frequently Asked Questions

Question 10: Can a sole trader who has employees also qualify for the JobKeeper Payment?

The answer is Yes. On the basis that the sole trader's business has satisfied all the other requirements to qualify for the JobKeeper Payment, a sole trader can qualify for the JobKeeper Payment in relation to their eligible employees and **also** qualify for the JobKeeper Payment themselves (i.e., in their own capacity) as an eligible business participant. In other words, a sole trader's entitlement to the JobKeeper Payment as an eligible business participant arises *independently* of their entitlement to the JobKeeper Payment in respect of their employees. Therefore, whether a sole trader has any employees or not will not impact on their ability to personally qualify for the JobKeeper Payment.

Question 11: How to claim for employees who were terminated after 1 March due to the virus

If you terminated an employee after 1 March 2020, you can re-engage them and they will be eligible if they met the eligibility criteria on 1 March 2020.

If you want to claim the JobKeeper payment for employees you have re-engaged, you will need to:

- confirm they want to be re-hired and participate in the JobKeeper scheme with you
- re-engage the employees you want to claim for
- ask them to complete the JobKeeper employee nomination notice and return it to you. You are required to keep this form as part of your records keeping obligations under the law
- start paying them a minimum of \$1,500 (before tax) for each fortnight they are employed and you claim for.

You will only be paid a JobKeeper payment for employees from the fortnight they were re-engaged. You cannot claim retrospectively for employees you re-engage.

What should employees know?

Your employer will notify you if they intend to claim the JobKeeper fortnightly payment of \$1,500 on your behalf.

You will not be paid the JobKeeper payment by the ATO. The payment comes from your employer who is later reimbursed by the ATO. Tax will be withheld from the payment so you may receive less than \$1,500 in your bank account.

Here are five steps that you should take to help your employer claim the JobKeeper payment on your behalf:

Step 1 - Check you meet the eligibility requirements such as being employed on the 1st March etc.

Step 2 - Talk to your employer and let them know if you want them to claim the JobKeeper payment for you.

Step 3 - If you have multiple jobs

- Choose which employer you want to claim the JobKeeper payment for you. You can only choose one employer. If you are a long-term casual but also have a permanent employer, you can only choose a permanent employer.
- Let your chosen employer know that you want them to claim the JobKeeper payment for you.
- Let the other employers know you have nominated a different employer for the JobKeeper payment.
- **If you run a business, but are also a permanent employee, you cannot nominate to be an eligible business participant of that business.**

Step 4 - Complete the *JobKeeper employee nomination notice* provided by your chosen and agreed employer and return it to them as soon as possible. The form captures simple information to confirm who you are and that you choose to be nominated by them.

Step 5 - If you are receiving or in the process of applying for a Services Australia income support payment, like JobSeeker payment, contact Services Australia and let them know that your employer has applied for the JobKeeper payment. If you do not report the income or cancel your JobSeeker payment, you may incur a debt that you will be required to pay back.

More flexibility for employers receiving the JobKeeper Payment under the Fair Work Act 2009

Amendments have also been made to the *Fair Work Act 2009* to support the practical operation of the JobKeeper Scheme and to facilitate a range of flexible working arrangements designed to support the continued operation of businesses and the ongoing employment of employees.

JobKeeper enabling directions

Under these amendments, an employer who qualifies for JobKeeper Payments in respect of an eligible employee will be able to provide the following **JobKeeper enabling directions** to the employee (provided the employee is initially consulted and the directions are not unreasonable in the circumstances):

(a) A **'stand down' direction**, which can be a direction for the employee to not work on particular days, to work for a lesser period or to work a reduced number of hours.

Such a direction can only be given if, amongst other things, the employee **cannot** be usefully employed for the employee's normal days or hours during the period the employer is eligible to receive JobKeeper Payments for the employee, because of:

- changes to the business (e.g., less patronage and/or the closure of stores) attributable to the Coronavirus pandemic; or
- government initiatives to slow down the transmission of the Coronavirus.



More flexibility for employers receiving the JobKeeper Payment under the Fair Work Act 2009

During the period to which such a direction applies, the employer is still required to pay the employee the fortnightly value of the JobKeeper Payment (i.e., \$1,500 per fortnight). Furthermore, such a direction **cannot** reduce the employee's hourly base rate of pay, meaning an employer must ensure that the total amount payable to a particular eligible employee in respect of a fortnight is either:

- the amount of the JobKeeper Payment for the employee; or
- if a greater amount is payable to the employee for the performance of work during the fortnight, that amount (i.e., in full).

(b) A **direction** about the **duties** to be performed by the employee that are within the employee's skill and competency. Again, such a direction **cannot** reduce the employee's hourly base rate of pay.

(c) A **direction** for the employee to work at a **location** that is different from the employee's normal place of work (including the employee's home).

This direction can only be given if, amongst other things, the new work location does **not** require the employee to travel a distance that is unreasonable in the circumstances (where the location is not the employee's home).



Employment Agreements

Furthermore, in addition to the JobKeeper enabling directions (discussed above) the amendments to the *Fair Work Act 2009* will also generally allow an employer and its employees to enter into **agreements** relating to their ongoing employment.

Specifically, an employer (during the period that they are entitled to the JobKeeper Payment for an employee) can make a request to the employee (and the employee cannot unreasonably refuse) for the employee to agree to:

- perform their duties on different days or at different times (without a reduction in the employee's working hours); and/or
- take annual leave (including at half pay) that will **not** result in the employee having a balance of paid annual leave of fewer than two weeks.

How do these Fair Work changes affect an employee's existing terms and conditions of employment?

The above amendments have the effect of **temporarily** modifying employment rights and obligations to the extent specified in the relevant direction to, or agreement with, an employee. What this basically means is that the terms and conditions of an employee's employment beyond the scope of the above JobKeeper-related amendments will not be affected.

Importantly if no such direction or agreement is made under the JobKeeper Scheme, an employee's existing rights and obligations continue to apply.





1 William Street Brisbane
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Queensland 4002 Australia

WE HAVE LISTENED

Thank you for your email to the Premier and Minister for Trade in relation to the protections for property owners and tenants in Queensland during the COVID-19 crisis. As this matter falls within my responsibilities as Housing Minister, the Premier has asked that I respond on her behalf.

As you would be aware, millions of Australians in the last few weeks, through no fault of their own, have lost their job or experienced significant income loss because of COVID-19.

As a result of this crisis, a temporary Moratorium on Evictions was announced by Prime Minister Scott Morrison. Each State and Territory is required to implement this through their own laws.

The Premier has asked me to work with the industry to implement this temporary moratorium and ensure that Queensland property owners make it through this pandemic with tenancies in place to pay their mortgages and tenants continuing to have a roof over their heads.

We recognise that many property owners are making significant sacrifices to meet the needs of tenants. We thank you for doing this and we have been working with the Real Estate Institute of Queensland and other stakeholders on the concerns that you have raised.

As a result of your feedback, the following temporary and targeted measures will apply for six months to properties where the tenant is impacted by COVID-19 (all other tenancies not impacted by COVID-19 will continue to operate under usual arrangements):

- The six-month **moratorium on evictions will only apply to tenancies where the tenant's income has been reduced as result of COVID-19** and the tenant is at risk of eviction. Tenants can still be evicted for doing the wrong thing and on other grounds.
- **We are asking property owners and tenants to work together** where a tenant is experiencing COVID-19 related financial challenges to negotiate a new temporary and sensible rent amount. Guidelines are being developed to support reaching agreement including duration and whether repayments are required. While we expect most tenants and property owners to come to an agreement, where this is not possible, we will provide a compulsory, free, fair and independent conciliation service to resolve issues.
- **Tenants will need to demonstrate genuine financial distress from COVID-19 that meets an established standard.** Tenants will need to have had a 25 per cent reduction in income or show that rent exceeds 30 per cent of the tenant's income. This can be substantiated by providing the same financial information they do at the start of a tenancy.

- **Enabling virtual inspections** to protect tenants and property managers from getting COVID-19 and ensuring essential access for repairs and maintenance continues where safe.
- Tenants will be able to have **break lease fees capped only where there has been a 75% loss of income** and they have less than \$5,000 in cash.
- Tenancies that expire during this crisis **will only roll over to September 30 2020 at the latest** and they have been impacted by COVID-19.
- The six-month **moratorium on evictions will only apply to tenancies where the tenant's income has been reduced as result of COVID-19** and the tenant is at risk of eviction. Tenants can still be evicted for doing the wrong thing and on other grounds.
- In cases where the owner and tenant are both experiencing financial distress, we have established a **\$20 million-dollar rental grant fund to complement existing Centrelink support.**

We will continue to listen and act to ensure property owners and tenants get through this crisis.

You may also be aware that we have announced a \$400 million dollar land tax relief package for property owners who are providing support to residential and business tenants in this difficult time. You can find out more at www.qld.gov.au/landtax.

Additionally, our household relief package will give Queensland households **\$200 off their utility bills**, building on the \$50 asset dividend we have already announced.


Through the National Cabinet, the Premier is also working with banks to ensure they step up to provide appropriate relief to property owners.

As a Government that listens, we appreciate the feedback you have provided and I hope my email provides some assurances to you in this difficult time.

If you need any further information, please visit the Residential Rental Hub on www.covid19.qld.gov.au/the-hub or text "hi" to 0480 000 782.

Yours Sincerely

MICK DE BRENNI MP
MINISTER FOR HOUSING AND PUBLIC WORKS,
MINISTER FOR DIGITAL TECHNOLOGY AND
MINISTER FOR SPORT

A microscopic view of several coronavirus particles, which are spherical with a greyish core and numerous red, spike-like protrusions. They are set against a dark blue background with lighter blue bokeh effects.

Government
\$130b wage
support package

JOBKEEPER

Updated
8 April 2020

JobKeeper Legislation – updated 08 April 2020

The government passed the JobKeeper legislation last night. The new Legislation works with the Fair Work Act and temporarily enables employers to issue “**JobKeeper enabling directions**”. This legislation will be automatically repealed on 28 September 2020. The purpose is to assist employers who qualify for the JobKeeper scheme to deal with the economic impact of COVID-19. This will help ensure, where reasonably possible, employees remain productively employed during the pandemic, and continue to contribute to the business of their employer where it is safe and possible for the business to continue operating.

The new legislation provides (subject to various safeguards) for increased flexibility around:

1. Employees’ hours of work, **but not** hourly rate of pay
2. performance of different duties
3. location of work
4. days and times of work
5. taking paid annual leave, including at half pay

An employer must consult the employee before giving a JobKeeper enabled direction; the directions must not be unreasonable, and directions in relation to duties to be performed by an employee or their location of work must be supported by an employer’s reasonable belief this is necessary for the continued employment of one or more employees of the employer.

If no JobKeeper enabling direction or agreement is made, existing rights and obligations are unaffected. An employee does not have to comply with a JobKeeper enabling stand down direction if it is unreasonable. The giving of a JobKeeper enabling direction does not amount to a redundancy. The Fair Work Commission (FWC) will be able to resolve disputes.



JobKeeper

Expanding the five points above, if an employer qualifies for the JobKeeper they can issue to employees:

1. **A stand down direction to work fewer days or hours** because of business changes attributable to the Coronavirus pandemic or government directives. But they cannot reduce an employee's hourly base rate of pay. I.e. the employee's base rate of pay worked out on an hourly basis cannot be less than the base rate of pay worked out on an hourly basis that would have applied to the employee if the direction had not been given.
2. **A direction to an employee about the nature of the employee's duties**, within their skill and competency. The employee must be licensed and qualified to perform the duties (if a licence or qualification is necessary); and the duties should be reasonably within the scope of the employer's normal business operations. An employee does not have to comply with a direction to change duties of work if it is unreasonable in all the circumstances.
3. **A direction that an employee is to perform duties at a place that is different from the employee's normal workplace** such as the employees home. A direction relating to location of work has effect if, the place is suitable for the employee's duties; it does not require the employee to travel a distance that is unreasonable (if not the employees home) and performance of the employee's duties at the place is safe, having regard (without limitation) to the nature and spread of Coronavirus, and is reasonably within scope of the employer's business operations. A direction to change work location does not apply to an employee if it is unreasonable in all the circumstances, including where it impacts on caring responsibilities of an employee.
4. **A direction for working different days or at different times** compared with the employee's ordinary days or times of work. For example, an employee who usually works weekends could reasonably be required to work on weekdays in a situation where their employer's business can no longer trade on weekends as a result of the Coronavirus pandemic.
5. **A direction for taking paid annual leave.** An employee must consider (and must not unreasonably refuse) their employer's request to take annual leave, provided that the leave arrangement would not result in reducing the employee's leave balance to fewer than two weeks. The employer and employee can also agree taking twice as much annual leave at half the employee's rate of pay for a period. This provision is designed to facilitate a range of flexible arrangements to support continuing business operation and the ongoing employment of employees.

JobKeeper Examples

Example 1

Jo is employed as a waiter in Anna's restaurant. Anna's restaurant has reduced operations to takeaway only because of Coronavirus restrictions. Anna qualifies for the JobKeeper scheme in relation to Jo, and gives Jo a JobKeeper enabling stand down direction not to attend work for 4 weeks, compared to her usual roster of 40 hours per week. Anna is required to ensure Jo is paid the appropriate value of JobKeeper payments (\$3000) during the four week JobKeeper enabling stand down period.

Example 2

Rachel works as an administrator for a manufacturing business whose retail operations have moved online as a result of significantly reduced shopfront demand and a 30 per cent reduction in turnover, following the Coronavirus outbreak. Rachel's employer qualifies for the JobKeeper scheme in relation to Rachel and gives her a JobKeeper enabling stand down direction that reduces her ordinary hours of work from 38 to 32 hours per week. Rachel's contractual base pay rate is \$30 per hour, which cannot be reduced for her hours of work, regardless of how many hours she is directed to work. As a result of the JobKeeper enabling stand down direction reducing her hours, Rachel's fortnightly pay has reduced from \$2280 (\$30/hr multiplied by 76 hours worked in a fortnight) to \$1920 (\$30/hr multiplied by 64 hours worked in a fortnight). Rachel must be paid for hours she worked, and as her reduced fortnightly pay is still higher than the value of the fortnightly JobKeeper payment (\$1500) she must be paid that higher amount. However, under the JobKeeper scheme, Rachel's employer can apply the value of the JobKeeper payment towards her fortnightly pay.



JobKeeper Examples

Example 3

Ameisa operates a warehouse and her employees, including Meera are covered under an award. As a storeworker grade 4, Meera generally acts in a leading hand capacity, coordinating the work of other storeworkers, performs liaison duties including with customers, and controlling inventory. Ameisa's business is affected by the Coronavirus pandemic and qualifies for the JobKeeper scheme. Given the downturn in Ameisa's business operations, Meera is not required to perform her usual duties in respect of customer liaison.

In order to keep Meera connected to employment during the pandemic, rather than reducing Meera's hours, Ameisa gives Meera a JobKeeper enabling direction that changes Meera's usual duties and enables her to be retain her regularly rostered hours, albeit in other duties. Ameisa wants Meera to drive a forklift in the warehouse. Because the duties can be performed with appropriate social distancing and in a way that is safe with respect to the nature and spread of Coronavirus, reasonably within the scope of Ameisa's business operations, and Meera holds a current high risk work licence to operate a forklift (class LO), Ameisa is able to give a JobKeeper enabling direction authorised by to drive the forklift.

While Meera's duties have been modified by the JobKeeper enabling direction, the other terms and conditions relating to her employment, such as the days and hours she works, are unchanged.



JobKeeper

How to issue JobKeeper enabling directions:

Any direction must not be unreasonable in all the circumstances (this could, for example, depend on its impact on an employee's caring responsibilities). If a direction is unreasonable in all the circumstances, it does not apply to an employee.

In addition to the reasonableness test in the case of a direction for changed duties or work location, the employer has to support a reasonable belief the direction is necessary to continue the employment of one or more employees.

The employer must give the employee at least three days written notice of the intention to give a direction or lesser period by genuine agreement (although this does not apply if the employer previously provided such notice of the direction and considered any views of the employee in that context), consult the employee about it, and keep a written record of the consultation.

The direction must be in writing (this could include by electronic means). The direction continues in effect until withdrawn or revoked by the employer, or replaced by a new direction given to the employee – this is subject to cessation of the direction at the start of 28 September 2020.

An employee given a JobKeeper enabling direction by their employer must comply with the direction.



JobKeeper

Leave Accruals and Entitlements

During a period when an employee is subject to a JobKeeper enabling direction, the period counts as service including an employee who is subject to a JobKeeper enabling stand down direction. Any entitlements to redundancy pay and payment in lieu of notice of termination are to be calculated as if the direction had not been given.

Secondary Employment or Training requests

An employee who is subject to a JobKeeper enabling stand down direction can ask their employer for permission to engage in reasonable secondary employment, training or professional development and the employer should consider and not unreasonably refuse such requests.



Commercial Tenancies Update

The Government has now (07/04/2020) released details on the **proposed** lease and mediation tenancy code for commercial tenants and landlords, once legislated it will be managed by the State Governments and be binding. The code is designed to preserve commercial leases already in place, but give a formulaic recognition of the Covid-19 impacts using the principles of good-faith leasing principles and sharing the pain.

Effectively, landlords will have to reduce leases in proportion to the reduction in the tenant's business income, no less than half of the reduction has to be a rent free waiver (never to be reclaimed) and the other portion of the reduction can be deferred rent to be claimed over a minimum of 24 months. The portion to be rent free (minimum 50%) should constitute a greater proportion of the total reduction in rent payable in cases where failure to do so would compromise the tenant's capacity to fulfil their ongoing obligations under the lease agreement i.e. rent free portion greater than 50%. Regard must also be had to the landlord's financial ability to provide such additional waivers

Landlords can offer better terms to their tenants if so inclined, and many are, but this code outlines the minimum concessions they will have to offer if they don't want to forfeit their legal rights over the lease and possibly have the tenant break the lease penalty free. Recalcitrant property owners also risk missing out on concessions offered by State Governments, local councils and banks. The code supports the Federal Government's business hibernation strategy.



Which tenants and landlords are covered?

The code will apply to tenants with a turnover of \$50m or less and have experienced at least a 30% loss in revenue.

Tenancies where the landlord or tenant are participating or will participate in the JobKeeper program.

How does it work?

The code will operate during the pandemic period, as defined by the period during which the JobKeeper programme is operational.

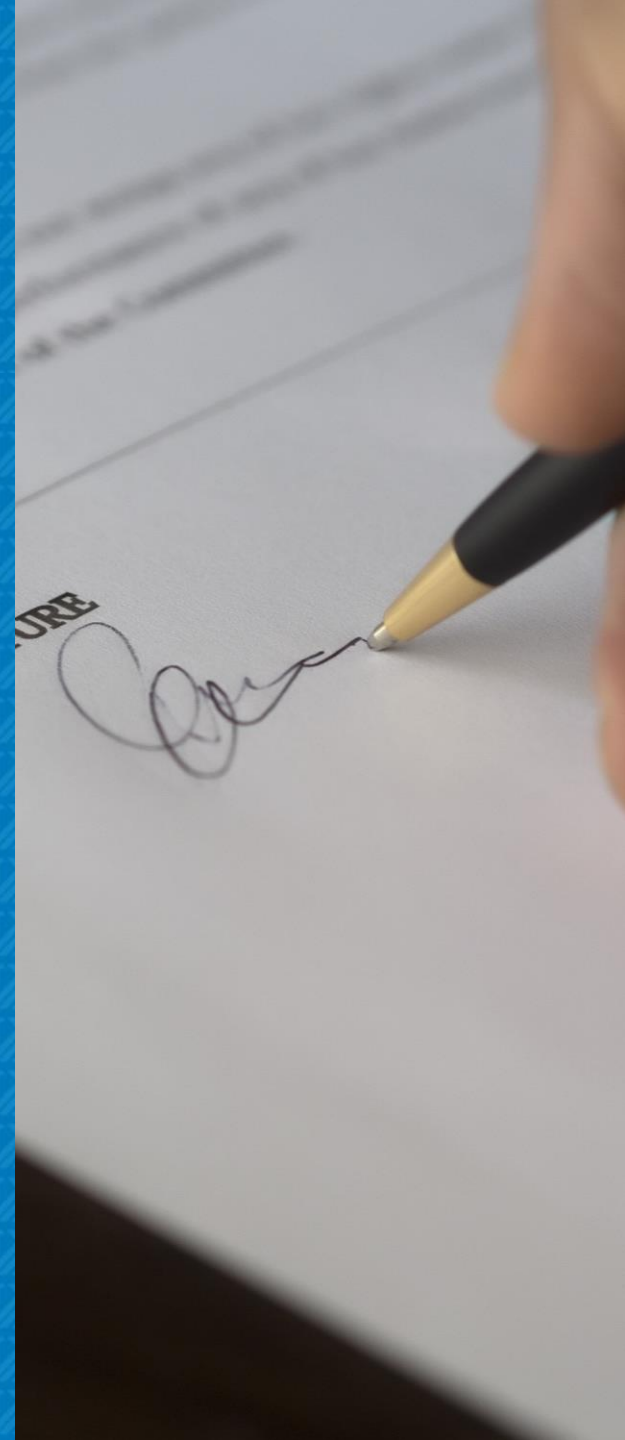
The rent relief should be proportionate to the reduction in turnover and should comprise unrecoverable waivers (at least 50% of the reduction) and deferrals.

The deferrals can only be recouped over a minimum of 24 months, no matter how much time is left on the lease, even if 12 months only left on the original lease the tenant gets 24 months to catch up the deferrals component – even if they move out!

Landlords cannot terminate a lease on the basis of non-payment of rent, nor draw upon a tenants security during this period.

Rent increases will be frozen, landlords will not be able to enforce penalties on tenants who stop trading or reduce opening hours.

Landlords will not be able to charge interest on unpaid rent and legislative and administrative hurdles to lease extensions will be removed.




Devil is in the detail

As always the devil will be in the detail once the legislation is passed, BUT this gives commercial tenancy landlords and tenants a way to start negotiating ASAP.

Residential rent relief will be considered and implemented by each State and Territory and not by the Federal Government. State legislation is coming to protect both residential and commercial from evictions for 6 months no matter what. Also the Queensland Government has announced a COVID-19 Rental Grant, but only for people who have lost their job and are on Centrelink (not JobKeeper). [Read More here.](#)

As always in this crisis, communication and understanding is key. Each landlord and tenant will have a different situation so you will need to talk to get a fair result for both of you. You can read the [full Code of Conduct here.](#)



A microscopic view of several coronavirus particles, which are spherical with a greyish core and numerous red, spike-like protrusions. They are set against a dark blue background with a bokeh effect of light spots.

Government
\$130b wage
support package

JOBKEEPER

30 March 2020

About the package. JobKeeper Payments to business

The Government has announced the third and the largest coronavirus support package - a \$130 billion economic stimulus package, called “JobKeeper Payment”.

The economic impacts of the coronavirus pose significant challenges for many businesses – many of which are struggling to retain their employees.

Under the JobKeeper Payment, businesses significantly impacted by the coronavirus outbreak will be able to access a subsidy from the Government to continue paying their employees. This assistance will help businesses to keep people in their jobs and re-start when the crisis is over. For employees, this means they can keep their job and earn an income – even if their hours have been cut.

The JobKeeper Payment is a temporary scheme open to businesses impacted by the coronavirus. The JobKeeper Payment will also be available to the self-employed.

The Government will provide \$1,500 per fortnight per employee for up to 6 months (\$19,500) and is the equivalent of 70% of the median wage.

The JobKeeper Payment will support employers to maintain their connection to their employees. These connections will enable business to reactivate their operations quickly – without having to rehire staff – when the crisis is over.

Please note that the Parliament need to pass the legislation (planned Wednesday 8th April) so details are subject to change.

https://treasury.gov.au/sites/default/files/2020-04/JobKeeper_frequently_asked_questions_0.pdf



About the package: JobKeeper Payments to business

The details we know so far are:

- This will be paid to the employers in arrears, effectively a reimbursement.
- The JobKeeper payment is designed to keep people in work and the Government expects up to 6 million people will access a \$1,500 fortnightly wage subsidy.
- Staff are your biggest asset – this package gives you certainty to keep your team together. Even employees whose business has been shut down and cannot do any meaningful work or even attend their workplace will receive it.
- However, a person cannot receive both the JobSeeker (Centerlink) and JobKeeper payments. If your employees have been to Centrelink talk to them about cancelling their Centrelink applications - this is a better scheme for them in most cases.



Eligible Employees

Eligible employees are employees who:

- are currently employed by the eligible employer (including those stood down or re-hired)
- were employed by the employer at 1 March 2020
- are full-time, part-time, or long-term casuals (a casual employed on a regular basis for longer than 12 months as at 1 March 2020)
- are at least 16 years of age
- are an Australian citizen, the holder of a permanent visa, a Protected Special Category Visa Holder, a non-protected Special Category Visa Holder who has been residing continually in Australia for 10 years or more, or a Special Category (Subclass 444) Visa Holder
- are not in receipt of a JobKeeper Payment from another employer

If your employees receive the JobKeeper Payment, this may affect their eligibility for payments from Services Australia as they must report their JobKeeper Payment as income.

Businesses that use Single Touch Payroll will need to report payments made to employees to support the online claims process.

Where businesses do not report through Single Touch Payroll, there will be a manual claim process, although Treasury has yet to reveal further details.



Payment Process

Eligible employers will be paid \$1,500 per fortnight per eligible employee. Eligible employees will receive, at a minimum, \$1,500 per fortnight, before tax, and employers are able to top-up the payment.

Where employers participate in the scheme, their employees will receive this payment as follows.

- If an employee ordinarily receives \$1,500 or more in income per fortnight before tax, they will continue to receive their regular income according to their prevailing workplace arrangements. The JobKeeper Payment will assist their employer to continue operating by subsidising all or part of the income of their employee(s).
- If an employee ordinarily receives less than \$1,500 in income per fortnight before tax, their employer must pay their employee, at a minimum, \$1,500 per fortnight, before tax. It will be up to the employer if they want to pay superannuation on any additional wage paid because of this uplift to the employees normal wage.
- If an employee has been stood down, their employer must pay their employee, at a minimum, \$1,500 per fortnight, before tax.
- If an employee was employed on 1 March 2020, subsequently ceased employment with their employer, and then has been re-engaged by the same eligible employer, the employee will receive, at a minimum, \$1,500 per fortnight, before tax.

Payments will be made to the employer monthly in **arrears** by the ATO.



How to apply?

Businesses with employees

Initially, employers can register their interest in applying for the JobKeeper Payment via The Australian Taxation Office (ATO). Subsequently, eligible employers will be able to apply for the scheme by means of an online application. The first payment will be received by employers from the ATO in the first week of May.

Eligible employers will need to identify eligible employees for JobKeeper Payments and must provide monthly updates to the ATO. Participating employers will be required to ensure eligible employees will receive, at a minimum, \$1,500 per fortnight, before tax. It will be up to the employer if they want to pay superannuation on any additional wage paid because of the JobKeeper Payment.

Businesses without employees

Businesses without employees, such as the self-employed, can register their interest in applying for JobKeeper Payment via The Australian Taxation Office (ATO) from 30 March 2020.

Businesses without employees will need to provide an ABN for their business, nominate an individual to receive the payment and provide that individual's Tax File Number and provide a declaration as to recent business activity.

People who are self-employed will need to provide a monthly update to the ATO to declare their continued eligibility for the payments. Payment will be made monthly to the individual's bank account.



Questions?



Thank You!

We are regularly updating our resources relating to Government packages etc. so please check our website for more details

