



Government Business Stimulus Package # 3 – “Jobkeeper Payment”

On 30 March 2020, the Government announced a \$130 billion “Jobkeeper” package to help businesses affected by the Coronavirus to cover the costs of their employees’ wages.

Under the JobKeeper Payment package, businesses significantly impacted by the Coronavirus outbreak will be able to access a fortnightly subsidy of \$1,500 per employee over the next 6 months from the Government to continue paying their employees.

Eligibility –

Employers will be eligible for the subsidy if:

- their business (with a turnover of up to \$1 billion) has experienced a reduction of revenue by more than 30 per cent relative to a comparable period a year ago (of at least a month)
- Self-employed individuals will also be eligible to receive the JobKeeper Payment where they have suffered or expect to suffer a 30 per cent decline in turnover relative to a comparable prior period (of at least a month).
- they elect to participate in the scheme by registering their interest on line at - <https://www.ato.gov.au/Job-keeper-payment/>
- they make an application to the Australian Taxation Office (ATO) and provide supporting information demonstrating a downturn in their business, and
- report the number of eligible employees employed by the business on a monthly basis.

Features of the Subsidy

- Eligible employers will receive \$1,500 per employee per fortnight, (irrespective of what the employee’s earning are) for each eligible employee that was on their books on 1 March 2020 and continues to be engaged by that employer – including full-time, part-time, long-term casuals (who have been with their employer for at least the previous 12 months) and stood down employees
- For employees who earn less than \$1,500 in a particular fortnight, the employer will need to top up to \$1,500
- Eligible employers who have stood down their employees before the commencement of this scheme will be able to participate. This means that employees of businesses that shut down due to various restrictions – such as cafes, restaurants, theatres, casino workers and the like – will continue to be paid even if they are not working (Employees who are stood down without pay remain employed for the period of the stand down)
- 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 also receive, at a minimum, \$1,500 per fortnight, before tax.
- Superannuation guarantee obligations will continue except that it won’t apply to any top-up for those employees who were earning less than \$1,500 per fortnight
- The first payment will be made via the ATO from 1 May and will be backdated to 30 March 2020.
- Employers must notify eligible employees that they are receiving the JobKeeper Payment

For further information on how the above measures may assist your cash flow, contact our team on 9489 5888.