



Accountants &
Business Advisors

News Flash

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Deadline 31 August to satisfy wage condition for newly eligible employees

As you would be aware, the JobKeeper rules were recently adjusted to make it easier for businesses to access JobKeeper payments. The changes include:

- the extension of JobKeeper payments to 28 March 2021 (the end date otherwise being 27 September 2020);
- changes to the turnover test (ie from projected turnover to actual turnover; and
- the two-tiered payment system.

In addition, from 3 August 2020, the testing date for eligible employees has been extended to 1 July 2020 (previously this was 1 March 2020). *This extends the application of JobKeeper to employees that have been engaged by an employer since the scheme was originally introduced.*

Employees who are already receiving the payment based on their eligibility at 1 March 2020 remain eligible and do not need to retest their eligibility.

Under the new rules, an individual can be eligible for JobKeeper if, on 1 July 2020, the individual meets all three of the following conditions:

1. employed (as a permanent or long-term casual) by the business;
2. 18 years or older (or if they were 16 or 17, they were independent or not studying full time on 1 July 2020); and
3. met the residency test.

If an employee was employed on 1 March 2020 but didn't satisfy any of the conditions above, but did satisfy those conditions on 1 July 2020, it is possible that those employees could now be eligible for JobKeeper payments.

Because the JobKeeper scheme operates on a 'one-in all-in' basis, to claim JobKeeper payments for JobKeeper fortnights, commencing 3 August 2020 and 17 August 2020, *employers must ensure that all eligible employees, including those that have been newly nominated, are enrolled for JobKeeper.*

Ordinarily, employers should have started paying new eligible employees a minimum of \$1,500 per fortnight from the JobKeeper fortnight 10 (which commenced on 3 August), by the end of that fortnight which ended on 16 August. *However, for both fortnights commencing on 3 August 2020 and 17 August 2020, the ATO is allowing employers until 31 August 2020 to meet this wage condition for all new eligible employees included in the JobKeeper scheme under the 1 July eligibility test.*

What this means is that Eligible employers to claim JobKeeper payments for the August JobKeeper fortnights including for new eligible employees included in the JobKeeper scheme under the 1 July eligibility rules, must satisfy the wage condition (i.e. pay minimum of \$1500 per fortnight) by the 31st August.

For further information, please contact your your Kaias Phillips Team member on (03) 9489 5888.

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