



JobKeeper 2 Extension Wage Condition

As you would be aware, a number of key changes were made to the JobKeeper Scheme following the announcements on 21 July and 7 of August. They include:

- two extensions to the JobKeeper scheme beyond the former end date of 27 September 2020;
 - From 28 September 2020 to 3 January 2021, businesses will need to demonstrate that their actual GST turnover has declined by the requisite percentage in the September 2020 quarter relative to the corresponding quarter in 2019;
 - From 4 January 2021 to 28 March 2021, businesses will need to demonstrate that their actual GST turnover has declined by the requisite percentage in the December 2020 quarter relative to the corresponding quarter in 2019
- introduction of a two tiered payment scheme and eligibility rules based on the number of hours worked during the relevant reference period. Under the new 2 tiered scheme:
 - the first JobKeeper extension rates (From 28 September 2020 to 3 January 2021) will be:
 - \$1,200 for Tier 1, and
 - \$750 for Tier 2.
 - the second JobKeeper extension rates (From 4 January 2021 to 28 March 2021) will be:
 - \$1,000 for Tier 1, and
 - \$650 for Tier 2.

The two-tier payment system will apply to each employee based on their total working hours in the applicable 'reference period':

- employees that worked more than 80 hours during the reference period will receive the Tier 1 rate for each extension, and
- employees working less than 80 hours during the reference period will receive the Tier 2 rate for each extension.

The reference period for an individual is determined as follows:

- the pre-March period which is the 28 days which finish on the last day of the last pay cycle that ended before 1 March 2020, or
- the pre-July period which is the 28 days which finish on the last day of the last pay cycle that ended before 1 July 2020.

What Employers Should Do

From 28 September 2020:

- employers need to demonstrate that their actual GST turnover has fallen against a comparable period
- determine which payment tier that they are claiming for each of the eligible employees and notify the Commissioner of the rate, and
- notify the individual of the payment rate within seven days of notifying the Commissioner.

The ATO has advised that for the JobKeeper fortnights starting 28 September 2020 and 12 October 2020 only, employers will have until **31 October 2020** to meet the wage condition for all employees included in the JobKeeper scheme.

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