



Advice – Changes to JobKeeper from September

SUMMARY

On Tuesday 21 July, the federal Government announced the extension of the JobKeeper Payment (JKP) to support employment in businesses and other organisations.

The current arrangements will apply until 27 September as previously announced.

Under the extended arrangements that will apply from 28 September to 28 March, the JKP will be paid to eligible employers in respect of their eligible employees and will have two rates.

From the end of September, the wage subsidy will be \$1,200 per fortnight for employees that work 20 hours or more a week and \$750 per fortnight for employees that work fewer hours than this.

From 4 January 2021, the JKP will reduce to \$1,000 per fortnight for each eligible employee working 20 or more hours a week and \$650 per fortnight for each eligible employee working fewer hours than this.

Employer eligibility will generally be based on turnover tests that are similar to the eligibility tests in the current JKP arrangements. However, unlike the current arrangements, eligibility will be reassessed in October and again in January.

Generally, businesses will be eligible if they have experienced a reduction in turnover of 30 per cent or more relative to a year earlier. Businesses with an annual turnover of more than \$1 billion will be eligible if they experience a reduction in turnover of 50 per cent or more. Tests using different comparable periods will continue to apply where relevant.

Full-time and part-time employees employed by the employer on 1 March 2020 are eligible as are casual employees who had been employed by the business for 12 months or more on 1 March 2020. The first step however is that their employer needs to be eligible. Employers will be obliged to pay the employees at least this amount (which is a pre-tax amount).

Payments will be made to employers in arrears to reimburse employers for wage payments made in the preceding two fortnights. The Government's announcement of the extended JKP is available [here](#).

What employers are eligible?

Employers will be eligible under similar arrangements that apply under the current JKP arrangements. A key difference is that eligibility beyond 27 September and until 3 January 2021 will require employers to demonstrate that their actual GST turnover has significantly fallen in both the June quarter 2020 (April, May and June) and the September quarter 2020 (July, August and September). Generally this will be relative to the comparable period a year earlier.

In order to be eligible for the period from 4 January 2021 to 28 March 2021, employers will need to demonstrate that their actual GST turnover has significantly fallen in each of the June, September and December 2020 quarters relative to comparable periods (generally the corresponding quarters in 2019).

The [Treasury Fact Sheet](#) has further details.

What employees are eligible?

The eligibility rules for employees remain unchanged. An employee will be eligible if they:

- are currently employed by an eligible employer (including if you were stood down or rehired);
- were employed as a full-time or part-time employee on 1 March 2020 or had been employed as a long-term casual employee for at least 12 months as at 1 March 2020;
- were aged over 18 years on 1 March 2020 (or if 16 or 17 were independent and not a full-time student);
- were an Australian resident (for Social Security purposes) 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 March 2020; and
- 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.

As previously, only one employer can claim the JKP in respect of an employee.

Look out for updates to this Advice

There is a need for further clarification over the coming days. Ai Group will update this Advice as further information becomes available.

Do you require further advice?

Ai Group has set up a special [section on our website](#) to provide access to Ai Group advice and assistance relating to the COVID-19 pandemic. As mentioned above, Ai Group encourages members to email peter.burn@aigroup.com.au with their JobKeeper Payment concerns and issues.

A handwritten signature in black ink, appearing to read 'Peter Burn'.

Peter Burn

Head of Influence and Policy

FURTHER INFORMATION

For further information or assistance, please contact the Ai Group Workplace Advice Line on 1300 55 66 77.