



Tax and Business Relief in Response to COVID-19

JobKeeper Payment Scheme

What is the JobKeeper Payment?

Under the **JobKeeper Payment scheme**, the Government will subsidise significantly affected businesses to help them **continue paying their employees**, in particular those employees who have been stood down without pay.

In a nutshell, the \$130 billion package will provide:

- **\$1,500 per fortnight (before tax), per employee** (or per self-employed individual)
- For 6 months
- Commencing from **30 March 2020**

Am I eligible for the JobKeeper Payment Scheme?

The JobKeeper Payment scheme applies to **eligible employers**. For an employer to be an **eligible** employer, it must satisfy the following:

1. For employers with a **turnover of less than \$1 billion**: your turnover must have **dropped by 30%** relative to a comparable period from your prior year (for example, your turnover for the month of March 2020 must be more than 30% lower than March 2019)
2. For employers with a **turnover of \$1 billion or more**: your revenue must have **dropped by 50%** relative to a comparable period from your prior year (for example, your turnover for the month of March 2020 must be more than 50% lower than March 2019).

It is open to employers who are:

- Businesses (including companies, partnerships, trusts and sole traders)
- Not-for-profit organisations; and
- Charities

What happens if I am an Eligible Employer?

If eligible then the employer is entitled to receive the allowance of \$1,500 (before tax) for each employee who is eligible by meeting the following criteria:

- They are **currently employed** by the eligible employer (including those stood down or re-hired)

- They were employed by the employer at 1 March 2020
- They 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)
- They are at least 16 years of age
- They are an **Australian citizen**, or they hold an eligible visa, including:
 - Permanent Visa
 - Protected Special Category Visa
 - Non-protected Special Category Visa holder who has been residing continually in Australia for 10 years or more
 - Special Category (Subclass 444) Visa Holder
- They are not receiving a JobKeeper Payment from another employer

What are the key points to remember?

- The Employer must [register their interest in participating in the JobKeeper Payment scheme on the ATO Website](#).
- **Payments will be made to employers in the first week of May 2020**, however, the payments will be backdated to March 30. These payments will be made to the employer monthly in arrears by the ATO.
- Employers who receive the payment will be **required, by law, to pass it onto their employees for which the payment has been received**.
- The JobKeeper payment is a **minimum payment of \$1,500 (before tax)**.
- The Government has left it to the employer to decide whether they will pay any top up between the allowance and the actual wage should it be higher and/or **superannuation** on the JobKeeper component of the employees pay (this does not affect an employer's obligation to pay the employee superannuation on regular wages).
- If an employee has been **stood down**, their employer must pay their employee, at a minimum, \$1,500 per fortnight, before tax.
- Employees who have been made **redundant** since 1 March 2020 are still **eligible** for the payment, if their employer is willing to re-hire them.
- If an employee ordinarily receives less than \$1,500 in income per fortnight before tax, their employer must pay them, **at a minimum, \$1,500 per fortnight, before tax**. This means that **employees of businesses that shut down due to the effect of COVID-19 could be paid through the JobKeeper payment scheme**, regardless of whether they are working.

What to do next

If you are an employer who is interested in finding out whether your business is eligible for the scheme, or if you are an employee who requires further information about your eligibility to receive the payment from their employer, our dedicated team are here to answer all your queries.