

COVID-19: (AUSTRALIA) JOBKEEPER 2.0 – EXPANDED ELIGIBILITY

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Tax and Labor, Employment & Workplace Safety Alert

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Our last JobKeeper guide covered the Australian Government's announcement to extend the scheme for six months beyond the original end date of 28 September 2020 (the so called JobKeeper 2.0).

On 7 August 2020, the Australian Government announced that the scheme eligibility requirements will be further relaxed so that:

- Employers will only need to show one quarter of turnover decline to be eligible for payments in the quarters ending December 2020 and March 2021.
- Employers will be able to claim payments for eligible employees that started in the business on or before 1 July 2020 (rather than 1 March 2020).
- Employers can take into account the hours worked by an employee in the lead up to either 1 March 2020 or 1 July 2020 when determining the payment rate for that employee during the extension periods.

We have revised our guide to take into account these new eligibility requirements.

At the time of writing, no new JobKeeper Rules have been introduced to support these changes. The information set out in this guide is based on the Treasury Factsheet that was released immediately following the Government's announcement.

WHAT ARE THE JOBKEEPER SCHEME DATES?

Original Dates	29 March 2020 to 27 September 2020
Extension One	28 September 2020 to 3 January 2021
Extension Two	4 January 2021 to 28 March 2021

DO ELIGIBLE EMPLOYERS NEED TO REQUALIFY FOR THE SCHEME?

Yes. Under the original scheme, employers qualified (for up to six months) by demonstrating they had a turnover decline exceeding the relevant threshold in one test period.

Under the extended scheme, employers will need to requalify to receive payments for each new JobKeeper quarter (ie for Extension One and Extension Two in the above table).

WHAT TESTS NEED TO BE MET TO REQUALIFY?

The revised eligibility tests are summarised in the following table:

To receive payments in this quarter...	The employer must have experienced GST turnover decline above the relevant threshold in the following quarters (compared to the same quarters in 2019)...
28 September 2020 to 3 January 2021	Quarter ending 30 September 2020
4 January 2021 to 28 March 2021	Quarter ending 31 December 2020

The other existing eligibility requirements under the original JobKeeper scheme will also need to be met.

WHAT ARE THE GST TURNOVER DECLINE THRESHOLDS?

The GST turnover decline thresholds are the same as under the original JobKeeper scheme. In summary:

- 30% for employers with annual turnover below AU\$1 billion
- 50% for employers with annual turnover above AU\$1 billion
- 15% for ACNC registered charities (other than universities and schools).

IF THE TURNOVER DECLINE THRESHOLDS ARE THE SAME, HOW ARE THESE TESTS NEW?

A key difference is that eligibility for JobKeeper was originally determined based on projected GST turnover.

To requalify, employers will need to demonstrate they had an actual decline based on current GST turnover in each relevant quarter.

WILL THE ALTERNATIVE TURNOVER TESTS FOR EMPLOYMENT ENTITIES WITHIN A CORPORATE GROUP STILL APPLY?

There is presently no guidance on this. However, we expect that the alternative turnover tests for employment entities will continue to apply.

WHAT ARE THE NEW PAYMENT RATES?

In this quarter...	The payment rates will be...
28 September 2020 to 3 January 2021	Full-time employees: AU\$1,200 per fortnight Part-time employees: AU\$750 per fortnight
4 January 2021 to 28 March 2021	Full-time employees: AU\$1,000 per fortnight

	Part-time employees: AU\$650 per fortnight
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HOW DO YOU DETERMINE IF AN EMPLOYEE IS FULL-TIME OR PART-TIME?

Employees that work more than 20 hours per week will be regarded as full-time (which is different to the usual employment law test for full-time employees which is based on 38 hours). Employees (including casuals) that work less than 20 hours per week will be regarded as part-time.

Whether an employee is full-time or part-time will be determined based on the hours they worked in the four weeks during the last pay period prior to 1 March 2020 or 1 July 2020.

The Commissioner may release additional tests. For example, there may be some concessions for employees that worked less than 20 hours per week in those four week periods due to being on leave or volunteering to fight bushfires. Those employees may continue to be treated as full-time if they normally work more than 20 hours per week.

IS THE SCHEME EXTENDED TO NEW EMPLOYEES?

Yes. From 3 August 2020, the relevant employment date for eligible employees will move to 1 July 2020 (from 1 March 2020). All other employee eligibility requirements remain the same.

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