

BusinessPlus+ Newsletter

Issue – August 2020

JobKeeper Extension – Version 2.0

Overview

There are 2 key changes to keep in mind in terms of JobKeeper 2.0. **First, the eligibility test is going to change from being a prospective test (based on projected turnover) to a retrospective test (based on actual turnover).** This will be done on a quarterly basis for 2 quarters, i.e. it will require ongoing monitoring and measuring.

Second, payment rates are to be split and reduced.

Another major change is that the reference date for assessing which employees are eligible for the JobKeeper Payment is now 1 July 2020, brought forward from 1 March 2020. This took effect from 3 August, i.e. it already applies. This provides scope for employees who were not eligible for JobKeeper 1.0 to become so (i.e. even before JobKeeper 2.0 commences). There will therefore be extra work to determine which "new" employees are in fact eligible (and the payment rate that they, and established, employees are entitled to).

The self-employed will be eligible to receive the JobKeeper Payment where they meet the relevant turnover test and are not a permanent employee of another employer.

Employees will continue to receive the JobKeeper Payment through their employer during the period of JobKeeper 2.0 if they and their employer are eligible and their employer is claiming the JobKeeper Payment (albeit at the reduced rates).

Planning Can Start Now

There are several things that businesses seeking to receive JobKeeper 2.0 will need to put down on their "to do" list.

First, determine if the business is eligible. This will require self-assessing their actual GST turnover ahead of the usual BAS reporting date of 28 October (in terms of the first JobKeeper 2.0 quarter). The precise date is yet to be advised, but for the moment can be presumed to be 14 October.

Second, determine which employees are eligible, i.e. if there have been changes in personnel (or their circumstances) since 1 March.

Third, determine what rates of pay eligible employees are entitled to under JobKeeper 2.0. For non-full-time employees, this will involve ascertaining average weekly hours worked (i.e. either above or below 20 hours per week). This can be done now.

For those cash-strained enterprises that are heavily reliant on JobKeeper to fund their wage payments, attention should be given to not exceeding the designated payment amounts which will change on 28 September 2020, and again on 4 January 2021.

Put bluntly, if businesses continue to pay \$1,500 per fortnight per employee in October with the expectation of full reimbursement, they will be in for a rude shock.

To access a *Summary of the JobKeeper 2.0 Employer and Employee eligibility positions*, please click on the link [HERE](#).
To access a *concise Fact Sheet and eligibility checklists*, please click on the link [HERE](#).

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