

JobKeeper alert! More employees may be eligible as of now!

The Federal Government recently announced [an extension to its flagship JobKeeper](#) wage subsidy program. The rules surrounding eligibility for extended support were then [relaxed further](#), which included a shift in the employee eligibility date from 1st March to 1st July. Because the changes were framed in the context of JobKeeper 2.0, it may have appeared that the new employee eligibility date was only relevant for the extended December 2020 and March 2021 quarters. This is not the case! The new date applies for relevant JobKeeper payments from the fortnight beginning 3rd August 2020. In other words, this may make more employees eligible for current JobKeeper payments.



We'll be the first to admit that this can all be a little confusing, so let's attempt to make things a little clearer.

For an employer to be eligible for JobKeeper, it must meet the relevant decline in turnover tests, which we've covered in previous issues. For most small businesses, it's a decline of 30% when compared to the same period in the previous year.

Once that's established, employees must also meet certain eligibility tests in order to then receive a JobKeeper payment from the employer. In the initial rules for JobKeeper, one of these tests was that *permanent* employees must have been employed as of 1st March 2020. This date was actually before the JobKeeper measure was announced, and in part was designed to ensure employees that may have already been stood down as a result of pandemic restrictions were supported.

For *casual* employees, the individual must have employed 'long-term' as of 1st March, which is defined as having been employed on a regular basis for at least 12 months prior.

When the Government [relaxed the rules](#) around JobKeeper 2.0 eligibility, one of the tests it changed was this employee eligibility test. Specifically, it moved the eligibility date from 1st March to 1st July. This has the potential to bring in new employees in a couple of significant ways.

1. **For permanent employees**, it means that those taken on since 1st March (but before 1st July) may become eligible for JobKeeper.
2. **For casual employees**, it may mean those that could not meet the 12 month test may now be eligible. For example, a casual employee who started in April 2019 would not have been with the business for 12 months prior to 1st March and would therefore have been ineligible for JobKeeper. If they were still employed on 1st July 2020, however, they could now be considered 'long term' under the revised JobKeeper provisions.

The benefits for an employee are obvious, but for an employer who is currently paying ineligible employees, the opportunity to bring more people in means that more of the payroll bill is being covered by JobKeeper.

More significantly, this change applies for JobKeeper payments for the fortnight beginning 3rd August 2020. All of these changes have been announced in the context of the JobKeeper 2.0 extension, so this point may have been lost. It's isn't just that eligible employees who were employed as of 1st July are eligible for JobKeeper 2.0 (from 28th September, if the employer is also eligible). They are now eligible for current JobKeeper payments.

What does this mean for you?

If you're an employer currently receiving JobKeeper, you may want to do a couple of things before your next pay run. This will also affect your next monthly JobKeeper declaration.

1. **Review your list of eligible permanent employees** and add any permanent employees taken on between 1st March and 1st July 2020.
2. **Review any casual employees** and work out whether they have been employed regularly for 12 months prior to 1st July. For any that have, you'll need to add them as well.

NOTE: You will also need to make sure that you pay any newly eligible employees a JobKeeper top-up where their fortnightly gross pay is less than \$1,500. Every eligible employee must receive a minimum of \$1,500 per fortnight, until the reduced payment rates kick in under JobKeeper 2.0 in October. As always, you won't be reimbursed for this until you receive your next JobKeeper payment in September, but under the 'one-in-all-in' principle of JobKeeper, you must ensure all eligible employees receive at least \$1,500 per fortnight.

Once again, this is for the JobKeeper fortnight beginning 3rd August 2020.

We know this can all be a little difficult to navigate at times. **If you're unsure about how this might apply to you and your circumstances, or have any other questions, please [contact us](#) for further information or assistance.**

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