

JobKeeper: Tax Office extends times to enrol and pay

Despite the significant upside, one of the enduring criticisms of JobKeeper since it was announced has been the short time-frame for businesses to assess and act to ensure compliance with the entitlement requirements. Recognising the unnecessarily onerous burden of two deadlines in particular, the Australian Taxation Office (ATO) has announced extensions to both the time to enrol for the scheme, and the time to complete top-up payments for employees (where required).



Perhaps the biggest JobKeeper uncertainty for businesses with *some* turnover decline during the Coronavirus Crisis has been the question of whether the reduction will be *enough* to meet the 30% reduction threshold. On its own, this would have simply been an issue to be worked through in due course, but has been complicated by the fact that all employees must receive a minimum of \$1,500 per fortnight (even where they earn less) and that any top-up payments must be made in advance, during April, before the JobKeeper subsidy is received by the employer in May.

Requiring that all of these issues be resolved by the end of April has raised a whole lot of questions and concerns for business owners. Chief among them has been this: "*What happens if I pay my employees a top-up in April and then find my business falls short of the eligibility criteria?*"

The extensions as announced will alleviate this concern a little.

- 1. The time for an employer to enrol for the *initial JobKeeper period* (the first two fortnights of April) will be extended from 30th April to 31st May.**
- 2. The time to ensure *all eligible employees have received a minimum of \$1,500 per fortnight* for the first two JobKeeper fortnights has been extended to 8th May.**

The first two JobKeeper fortnights are 30th March - 12th April, and 13th April - 26th April.

There are [three test periods](#) business owners can choose to reference in order to assess the impact of the crisis on their turnover. One of those is the month of April 2020 (against April 2019). By allowing a business to make any top-up payments for April by as late as 8th May, employers can breathe a little easier knowing that they can at least look at the results for April in its entirety before making any JobKeeper top-up payments to employees.

It's worth noting here too that the ATO has released a set of ['alternative turnover tests'](#), recognising that prior year turnover may not be available or an appropriate comparison. These tests may be applied, for

example, where a business commenced operations after last year's comparison period, or where an additional part of the business was acquired after that time.

The last month and a half has been unlike any other time in Australian business history, and there's been an awful lot for business owners to process in a short period of time. Aside from providing a little more certainty around meeting one of the specific JobKeeper tests, these extensions hopefully provide a short, but much needed, release from the pressure of having so much to consider and assess in such a short space of time.

Please [contact us](#) for further information or assistance.

We're here to help and are continuing to offer complimentary phone calls to support you and your business with these measures during this time.

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