

JobKeeper 1.0: What to do when it ends

With the first round of the Federal Government's JobKeeper scheme ending 27th September, employers will naturally have a few questions about what happens next. The JobKeeper extension period (known as 'JobKeeper 2.0') starts from 28th September, but many first round recipients may no longer be eligible. For those that still qualify, there are new payment rates, which of course means additional compliance requirements. What are the practical implications of all these changes? We're going to try and answer a few of those questions here.



What do I do if my business is no longer eligible for JobKeeper?

The short answer is, not a lot. The primary obligation is to notify employees that have been receiving JobKeeper that the business can no longer claim JobKeeper payments for them. This includes specifically advising those who were receiving top up payments that there is no further obligation to pay them an amount at least equal to the JobKeeper fortnightly amount.

You will also need to notify the Tax Office through your payroll system that JobKeeper payments have come to an end for each employee. If you need some advice about this, please contact us.

That's pretty much it. You don't need to explicitly opt out or submit any other kind of notification to advise that you are no longer eligible. Instead, an employer simply stops lodging a JobKeeper declaration at the end of the month. There are no further ongoing reporting requirements beyond that.

Can I re-qualify for the second extension period?

If an employer doesn't qualify for the first extension period (28th September 2020 to 3rd January 2021), they may still be eligible to re-qualify for the second extension period (4th January to 28th March 2021). This can be done without having to re-enrol for JobKeeper. Instead, once the requisite turnover decline for the preceding quarter has been confirmed, a business simply nominates eligible employees through its payroll software, commences paying any JobKeeper top-up payments required and lodges a JobKeeper declaration once again.

And if my business is eligible for the first extension?

Most employers would be aware that there are now two payment rates for the next JobKeeper period - \$1,200 per fortnight for those closer to full-time employment ('Tier 1'), and \$750 per fortnight for those who are more part time ('Tier 2').

Specifically, Tier 1 is defined as those employees who worked 80 hours or more in the 28 days prior to the last day of the last pay cycle which ended before either 1st March or 1st July. Tier 2 covers those who worked less than 80 hours during either of these reference periods. Significantly, where applicable, there is discretion to choose the reference period that is most favourable to the employee, on an individual basis.

What are the notification requirements for JobKeeper 2.0?

In terms of reporting, an eligible employer does not need to re-enrol in the program but must continue to advise the ATO as to how many employees are receiving JobKeeper payments, and lodge a monthly JobKeeper declaration. However, now it must also notify the Commissioner as to whether it is claiming the higher or lower rate for each eligible employee. The business will be ineligible to receive JobKeeper payments from the Government until this notice has been made, so it's important to make sure it gets done.

The entity (other than a sole trader) must also give notice to each eligible employee advising them of which rate applies to them. This notice needs to be made within 7 days of notifying the Commissioner.

What about business owners who are not 'employees' but still receiving JobKeeper?

'Eligible business participants' for JobKeeper purposes are people who may work in a business but don't take a salary - directors, shareholders, beneficiaries of trust and so on. They must also identify whether they were 'actively engaged' in the business for 80 hours or more for the four weeks prior to 1st March (the pre-1st July period does not apply in this case), in order to determine which rate applies to them. But how exactly that test can be substantiated is difficult to determine. There is also a question as to what constitutes 'active engagement'? For most business owners, there is rarely any time that they are not 'actively engaged', even if it's at home planning for the days and weeks ahead while lying awake in bed. The Tax Office has released some guidance on this, however it is still relatively vague and non-specific, so it's likely to be something that will need further clarification and/or testing in the courts.

How do I notify the ATO which tier applies for each person?

For employers you'll be able to make this notification through the payroll software of the business, via Single Touch Payroll. The exact process by which an eligible business participant notifies the ATO is, at the time of writing, unclear.

We know this can all be confusing and difficult to administer. **We're here to help. 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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