



# The future of JOBKEEPER & JOBSEEKER

The transition of the stimulus  
measures beyond September

## WEBINAR

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### Your moderator today

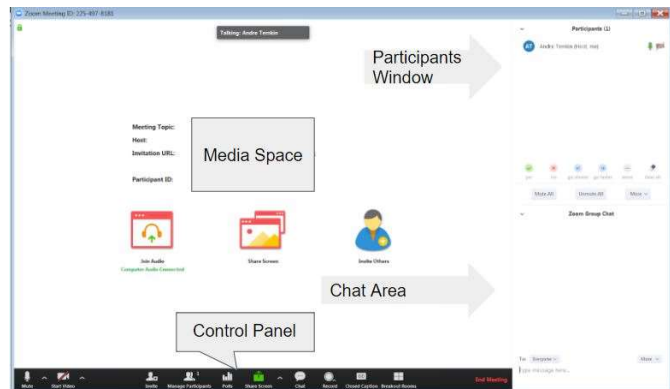


**Paul Cunningham**  
Associate

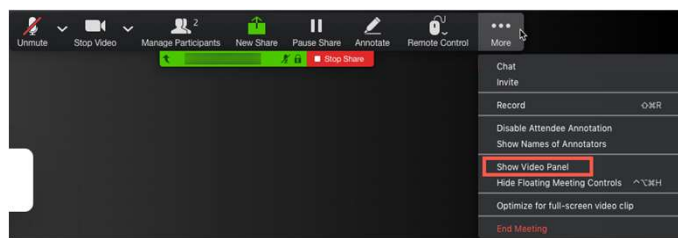
- Managing webinar questions
- Overseeing the running of webinar

## Using Zoom Features

- Click on the control panel to use the control pane
- Submit questions via the chat area
- Make sure you mute yourself



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## Today's Presenter

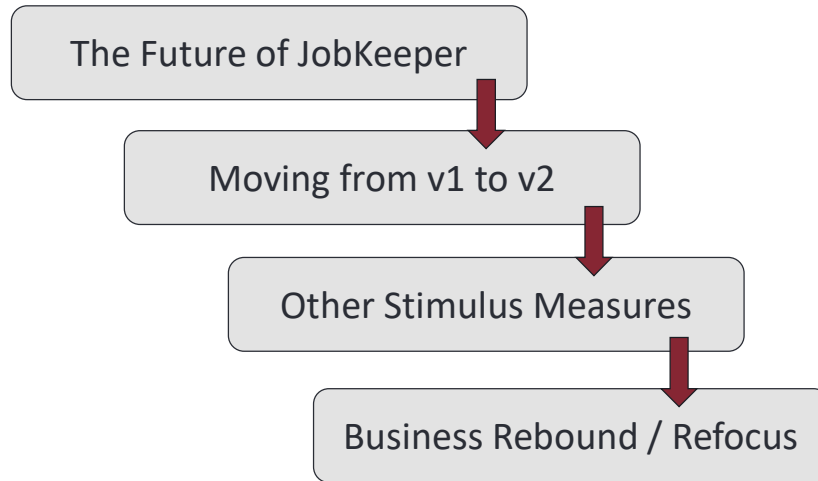


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## What we will cover



## Background

16 July 2020	JobTrainer package announced
19 July 2020	Extension of SME loan guarantee scheme announced
21 July 2020	Extension of JobKeeper announced Changes to Coronavirus supplement and JobSeeker announced
23 July 2020	Economic update released Extension of deadline for early release of super announced

## Important

- These are just announcements, legislation has not been released / passed as yet
- Some planning / assessment can still be done now
  - Current JobKeeper eligibility
  - June 2020 quarter turnover figures compared with June 2019 quarter turnover figures
  - Average hours worked in February 2020



## JobKeeper

Initial JobKeeper scheme runs from 30 March 2020 to 27 September 2020

- 13 separate JobKeeper fortnights
- Payment rate of \$1,500 per fortnight

Scheme will be extended until 28 March 2021 in two phases

- Reduced payment rates
- Two tiers for payments
- Additional decline in turnover tests



## JobKeeper 2.0

- Entity will need to meet the existing eligibility rules
  - Is or would the entity be able to access JobKeeper under the current rules?
  - If not, then it is unlikely to qualify for the extension
- Treasury states that JobKeeper will remain open to new recipients as long as they meet existing requirements and the new turnover tests
- JobKeeper payments will continue to be paid in arrears



## Existing turnover reduction test

- Need to pass the test for at least one of the following:
  - Monthly test: March, April, May, June, July, August, September
  - Quarterly test: June quarter or September quarter
- Projected GST turnover for the 2020 period compared with current GST turnover for the corresponding 2019 period
- Can qualify for JobKeeper payments from the first JobKeeper fortnight that ends on or after the start of the applicable test period



## New turnover tests

**To qualify for  
JobKeeper payments  
for the period from  
28 September 2020  
to 3 January 2021**

- Must be able to show that actual GST turnover for **both** the June 2020 quarter and September 2020 quarter has dropped by the required amount

**To qualify for  
JobKeeper payments  
for the period from 3  
January 2021 to 28  
March 2021**

- Must be able to show that actual GST turnover for **each** of the June 2020 quarter, September 2020 quarter and December 2020 quarter has dropped by the required amount

## New turnover tests

- Treasury guidance suggests that the entity needs to pass the test for each of the relevant quarters
  - Not sufficient to show a combined reduction of the relevant amount if the entity fails the test for a particular quarter
- ATO will have discretion to set out alternative tests where it is not appropriate to compare actual turnover for a quarter in 2020 with the corresponding quarter in 2019
  - Presumably will be similar to existing alternative tests

## Example

- ABC Pty Ltd is assessing eligibility for JobKeeper for the period from 28 September 2020 to 3 January 2021
- It has already qualified for the existing JobKeeper rules
- Its GST turnover has fallen as follows:
  - 40% for the June 2020 quarter
  - 25% for the September 2020 quarter
  - 33% for the 6 months from April to September 2020
- Can the company access the JobKeeper extension?



## Actual GST turnover

- Actual GST turnover will be used to determine eligibility for extended rules, rather than projected GST turnover which was used for the existing JobKeeper rules
- Treasury guidance indicates that eligibility will be assessed based on details reported in the BAS
  - Special arrangements to be put in place for entities that don't need to lodge a BAS
  - Will there be flexibility on calculation methods?



## Turnover reduction thresholds

### These remain unchanged

- 50% for entities with aggregated turnover of more than \$1 billion
- 30% for entities with aggregated turnover of \$1 billion or less
- 15% for ACNC registered charities (except schools and universities)

## Timing issues

- Businesses will need to assess eligibility for JobKeeper before the BAS due date to meet the wage condition
  - Deadline for September BAS is in late October
- ATO will have discretion to extend the time the entity has to pay employees to meet the wage condition



## Failing the additional tests

Should not impact on eligibility for JobKeeper up to 27 September 2020



Still need to check that entity meets ongoing requirements to access JobKeeper payments until that date

## Example

- XYZ Trust is assessing eligibility for JobKeeper for the period from 4 January 2021 to 28 March 2021
- It has already qualified for the existing JobKeeper rules
- Its GST turnover has fallen as follows:
  - 50% for the June 2020 quarter
  - 37% for the September 2020 quarter
  - 28% for the December 2020 quarter
- Can the trust access the JobKeeper extension?

## Eligible employees

- No change to eligibility rules for employees
- Need to have met a number of specific conditions at 1 March 2020 and certain conditions in the relevant JobKeeper fortnights
- Only one employer can claim JobKeeper payments in relation to a particular employee



## Lower payment rates

- 28 September 2020 to 28 March 2021
  - Payment rates will be reduced and split into two tiers
  - Rate for employees depends on whether they worked in the business for at least 20 hours a week on average in the 4 weeks before 1 March 2020
  - Rate for eligible business participants depends on whether they were actively engaged in the business for at least 20 hours per week on average in the 4 weeks before 1 March 2020



## Payment rates

- 30 March 2020 to 27 September 2020
  - \$1,500 per fortnight regardless of the number of hours worked
- 28 September 2020 to 3 January 2021
  - Higher payment rate is \$1,200 per fortnight
  - Lower payment rate is \$750 per fortnight
- 4 January 2021 to 28 March 2021
  - Higher payment rate is \$1,000 per fortnight
  - Lower payment rate is \$650 per fortnight



## Determining hours worked

- ATO will have discretion to set out alternative tests where someone's hours were not usual during February 2020
  - Examples include situations where someone was on leave, was volunteering during the bushfires, was not employed for the full month etc
- ATO will provide guidance on how this is to be determined in cases where employees are paid in non-weekly or non-fortnightly pay periods



## Eligible business participants

- Currently need to be actively engaged in the business to access JobKeeper payments
- Not a defined term and little ATO guidance on this point
- New rules will require hours of 'active engagement' in February 2020 to be quantified
- How would this be done?

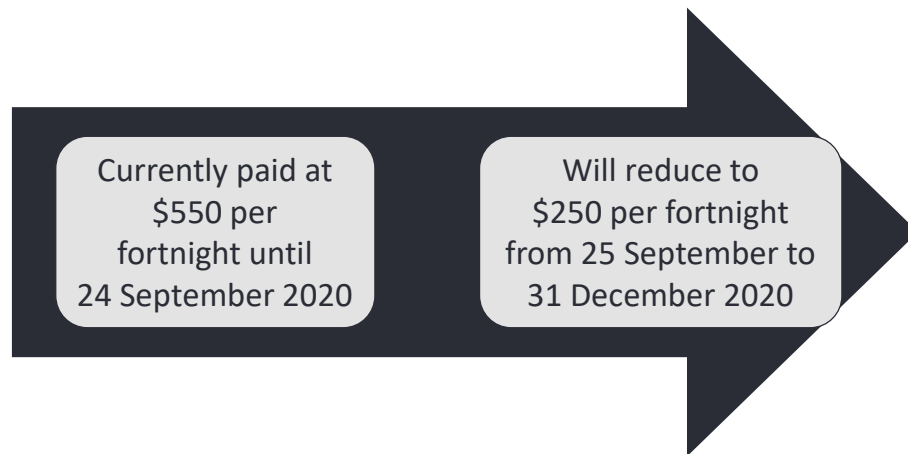


## Other key points

- An entity only needs to pass the turnover reduction test once to qualify for existing JobKeeper rules and can continue to be eligible until 27 September 2020 even if turnover picks up
- Be careful of business sales / acquisitions
- Be careful of internal business restructures



## Coronavirus supplement



## Coronavirus supplement

- Eligibility remains the same even though the payment rate will be reduced
- This payment is not income tested
- Available to those receiving:
  - JobSeeker Payment (and all payments transitioning as a result of JobSeeker Payment)
  - Youth Allowance
  - Parenting Payment (Partnered and Single)
  - Austudy
  - ABSTUDY Living Allowance
  - Farm Household Allowance
  - Special Benefit
  - Eligible New Enterprise Incentive Scheme participants
  - Department of Veterans' Affairs Education Schemes

## JobSeeker

- Expanded access to JobSeeker and Youth Allowance JobSeeker will continue to apply until 31 December 2020
- Certain restrictions are reintroduced
  - The assets test and liquid assets waiting period will be reintroduced from 25 September 2020
  - Partner income testing will be modified from 25 September 2020
  - Job seeking requirements were reintroduced from 9 June 2020
  - Certain waiting periods still waived until 31 December 2020 including the ordinary waiting period, newly arrived resident's waiting period and seasonal work preclusion period



## SME guarantee scheme

- The Government is guaranteeing 50% of new loans issued by specific lenders to SMEs
- Initial phase runs until 30 September 2020
  - Available to SMEs with turnover of up to \$50m
  - Maximum loan of \$250,000 per borrower
  - Loans are for up to 3 years, initial 6 month repayment holiday
  - Unsecured



## SME guarantee scheme

- Second phase will start on 1 October 2020 and run until 30 June 2021
- Loans in the second phase will have the same basic features as under the initial phase but with some modifications
  - Loans can be used for broader range of purposes
  - Maximum loan size increased to \$1m per borrower
  - Loans can be held up to 5 years rather than 3 years and repayment holidays are at the discretion of the lender
  - Loans can be secured or unsecured (excluding commercial or residential property)



## JobTrainer

- An additional 340,700 training places will be created to provide no or low cost courses into sectors with job opportunities
- Expands the number of businesses that can access the 50% apprentice wage subsidy and extends the subsidy until 31 March 2021 (from 30 September 2020)
  - Originally, only businesses with less than 20 employees or larger employers employing apprentices/trainees let go by a small business were able to access the subsidy for wages paid to apprentices employed by them as at 1 March 2020
  - Now, businesses with under 200 employees can access the subsidy for apprentices employed at 1 July 2020



## JobTrainer

### Apprentice wage subsidy

- Employers will be reimbursed 50% of an eligible apprentice's wage up to a maximum of \$7,000 per quarter per apprentice
- Can't claim the subsidy and JobKeeper for the same employee for the same period



## Early access to super

- Government has announced that applications for the COVID-19 early release of super scheme will be extended to 31 December 2020
  - The deadline is currently 24 September 2020
- No increase in the amount that can be accessed, this is still capped at \$10,000 for 2021
- Withdrawals are tax-free
- ATO actively reviewing applications to address integrity concerns





## Next Steps

- Check your June 2020 to June 2019 as per your BAS
- Review your employee hours in February for those not full-time
- Reconcile ASAP on October 1<sup>st</sup> for your BAS to see if your eligible, and then ensure you have paid the correct amount to employees in the first fortnight in October



## Time for Business Rebound / Refocus

Where are you at?

- Trading at a Loss / Non-Sustainable?
- Trading at Break-Even?
- Trading Well?

Please don't hesitate to reach out and arrange a complimentary 30 minute Business Rebound / Refocus Zoom meeting (or soon a coffee meeting?)



## Upcoming Webinar sessions

*Get started now!*

- Friday 14<sup>th</sup> August – Helping Landlords & Tenants Manage Tax Obligations
- Friday 18<sup>th</sup> September – Contractor vs Employee: What's the distinction and what is the risk to small business?
- More to come!

Doing nothing should not be an option!

[smartbusinesssolutions.com.au/events](https://smartbusinesssolutions.com.au/events)



## Questions



## Our Leadership Team



**Shannon Smit**  
Managing Director

**Shannon Smit** is a CEO and founding director who thrives on breaking the mould of the standard. She's lived in 4 different countries and 6 different cities. she talks a mile a minute, has ideas faster than a speeding bullet and has nailed the art of multitasking. Likes travelling the world. Loves being a soccer mum to her two boys.

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**Paul Cunningham**  
Associate

**Paul Cunningham** is a chartered accountant with a slight obsession with cricket. President of his local club, he's played there since his teenage years, perfecting his skills as the ultimate batsman. Is a highly competitive pop quiz and trivia participant. When not on the pitch he's playing doting dad to his young daughter.

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**Daniel McCulloch**  
Associate

**Daniel McCulloch** is a chartered accountant who gets a kick out of saving his clients money. Likes German Shepherds. Loves hanging with his daughter. Spends his free time playing golf or indulging his passion for anything fast on two wheels. Not known for his ability to do the two of these together.

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## Thank you!

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