



**AUSTRALIAN AUTOMOTIVE  
AFTERMARKET ASSOCIATION**

## **COVID-19 JobKeeper**

**LESLEY YATES**

Director - Government Relations & Advocacy

# Summary – Business COVID-19

Stimulus	Investment	30% Downturn	Distressed
Boosting Cash Flow	Instant Asset Write off	JobKeeper	Insolvency and Bankruptcy
Apprentices	Accelerated Depreciation	State Government Grants	Loan interest payment deferment
Payroll Tax Refunds (state by state basis)	Government Guaranteed Loans	Commercial Tenancy code of conduct & state govt land tax reduction	ATO Relief Measures
Small State Government Grants		Bank Credit & Loans SME	

# JobKeeper

- Businesses under \$1 billion turnover with 30% or more downturn in the relevant month or three months when compared to the previous year.
- Employers can apply to receive fortnightly JobKeeper payments of \$1,500 per eligible employee. Payment will be available from 30 March 2020 until 27 September 2020.
- Business must have paid their employees (minimum of \$1,500 per fortnight) before they are entitled to receive the payment (it's a reimbursement)
- First payment will be made by the ATO to employers in May. Payments will be monthly in arrears. If you are looking to qualify for the first two fortnights' JobKeeper, pay staff by the End of April.

# JobKeeper – Eligible Employees

- 1 March 2020 (including those stood down after);and
- Full time, part time; or
- Casual for a regular and systemic basis for at least the previous 12 months.
- Only one employer can claim for each employee.
- Employees must be notified (forms available on the ATO web site).

# Examples

**Example 1: Employee who (in the absence of jobkeeper) earned \$nil in a relevant fortnight due to being stood down**

Payment, attributable to jobkeeper	\$1,500
PAYG Withholding (claiming tax free threshold)	\$ 192
Net amount paid to employee	\$1,308
Superannuation contribution	\$nil

**Example 2: Employee who (in the absence of jobkeeper) earned \$1,200 in the fortnight from employer and receives \$300 'top up' as a result of jobkeeper**

Employer payment	\$1,200
Top up, attributable to jobkeeper	\$300
Total gross	\$1,500
PAYG Withholding (claiming tax free threshold)	\$ 192
Net amount paid to employee	\$1,308
Superannuation contribution	\$114

# FAQs - 30% reduction in turnover

Basic test (same period as last year) or the alternate test.

## Comparison Period

- Businesses may select any month they want during the six-month life of the program, so that's either March, April, June, July, August or September.
- Want to nominate a quarter? Your choices are April 1 to June 30, or July 1 to September 30 (compared, in both cases, to those corresponding periods in 2019).

# FAQs - 30% reduction in turnover

- In business less than 1 year/Lumpy income/New acquisitions
- ATO alternate tests – Discretion “satisfy the Commissioner that the turnover test is satisfied in some other way.”
- Consolidated Group or entity by entity
- Export Sales

# Calculating 30% reduction

- GST turnover or projected GST turnover
- Cash or accrual - Businesses must use the same type of GST turnover calculation (cash or accrual) for both their nominated and comparison period.
- Make sure you have some solid logic behind the 30% reduction
- Report monthly turnover information – this does not mean the entity has to keep satisfying the decline in turnover to remain eligible.



# FAQs Employees

- Do I have to apply for all eligible employees? Yes
- Sole trader (ABN)
- Owners (Do they work in the business?)
- Partners or Directors: yes, one only
- Independent contractors
- Workcover
- On leave

# Apprenticeship and JobKeeper

Can I receive both the JobKeeper payment and the 'supporting apprentices and trainees' subsidy?

- No – employers are only eligible for one of these subsidies. Where an employer would qualify for both payments, the fact sheet clarifies that they may receive the apprentice subsidy for the period 1 January 2020 to 31 March 2020. The employer could then receive payments under JobKeeper for the period from 1 April 2020 to 27 September 2020.

# Payments

- Only made for periods following the decline in turnover
- No payments before 1 May 2020
- Backdated to 30 March 2020
- Treasury has stated in its latest fact sheet that the payments will **generally** be paid directly to the employer and not used to offset tax liabilities. It is currently unclear whether there will be any exceptions to this rule.

# JobKeeper Payments

*Exception for first two fortnightly periods* For these two fortnightly periods only, the ATO has indicated that they will accept the minimum \$1,500 payment for each fortnight has been paid even if it is paid late, provided it is paid by the end of April.

	Fortnight commencing Monday	Fortnight ending Sunday	Jobkeeper payments made in	No of fortnights
1	30 March	12 April	May	2
2	13 April	26 April		
3	27 April	10 May	June	2
4	11 May	24 May		
5	25 May	7 June	July	2
6	8 June	21 June		
7	22 June	5 July	August	2
8	6 July	19 July		
9	20 July	2 August	September	3
10	3 August	16 August		
11	17 August	30 August		
12	31 August	13 September	October	2
13	14 September	27 September		

# Risk

- Your employees are entitled to be paid \$1,500 or more per fortnight:
  - Continue to pay employees the wages they are entitled to.
  - You will not be out of pocket if the ATO later determines you are not eligible for JobKeeper.
- Your employees are completely stood down, or on unpaid leave.
  - If you are unsure of your eligibility, wait for the ATO to confirm your eligibility before making JobKeeper payments.
- Your employees are earning less than (or just over) \$1,500 per fortnight
  - Make a commercial decision on whether it is worth making the JobKeeper equivalent payment in April even if you are not certain you are eligible.

# Compliance

- Don't game the system
- There will be guidance provided by the ATO to help business self-assess their eligibility.
- Subject to ATO compliance and audit activities.
- The ATO will cross-check payments with data from other government agencies and undertake activities to identify multiple or ineligible payments.

# Risk

- If an entity receives the JobKeeper payments based on a forecast that turns out to be incorrect, they may potentially be required to refund the payments to the ATO. However, the fact sheets indicate that there will be some tolerance where employers, in good faith, estimate a 30 (or 50) per cent decline in turnover but actually experience a “slightly smaller” fall.

# JobKeeper – What do I need to do

- Register <https://www.ato.gov.au/general/jobkeeper-payment/employers/enrol-and-apply-for-the-jobkeeper-payment/>
- Notify your eligible employees that you are intending to claim the JobKeeper payment on their behalf and check they aren't claiming JobKeeper payment through another employer.
- Send the JobKeeper employee nomination notice to your nominated employees to complete and return to you by the end of April if you plan to claim JobKeeper payment for April.
- From 20 April 2020, you can enrol for the JobKeeper payment using the Business Portal and authenticate with myGovID. Do this by the end of April to claim JobKeeper payments for April.