

# Client alert: JobKeeper rules have been updated again



*On 21 July 2020, the Government announced its plan to extend the JobKeeper Payment scheme from 27 September 2020 to 28 March 2021, but with reduced payment rates and tightened eligibility criteria.*

*On 7 August 2020, further changes were announced relaxing the proposed rules to make it easier for businesses and employees to qualify for the JobKeeper Payment extension.*

## **Decline in turnover test has been relaxed**

On 21 July 2020 the Government announced that businesses and not-for-profits intending to claim the JobKeeper extension payments from 28 September 2020 to 28 March 2021 were required to show a decline in turnover in all quarters since June 2020.

Under the changes subsequently announced on 7 August 2020, businesses and not-for-profits will only need to reassess their eligibility based on their turnover as follows:

### **First JobKeeper Payment extension period from 28 September 2020 to 3 January 2021:**

- Actual GST turnover has 'fallen significantly' in the September 2020 quarter (July, August and September 2020) relative to the September 2019 quarter.

### **Second JobKeeper Payment extension period from 4 January 2021 to 28 March 2021:**

- Actual GST turnover has 'fallen significantly' in the December 2020 quarter (October, November and December 2020) relative to the December 2019 quarter.

Turnover will have '**fallen significantly**' where it has decreased as follows during the relevant quarters, note that this criteria has not changed for the JobKeeper extension:

- 50 per cent for those with an aggregated turnover of more than \$1 billion;
- 30 per cent for those with an aggregated turnover of \$1 billion or less; or
- 15 per cent for Australian Charities and Not-for-profits Commission-registered charities (excluding schools and universities).

## **Date of employment for eligible employees has moved to 1 July 2020**

Previously, to be eligible an employee must have been employed on 1 March 2020.

From 3 August 2020, the relevant date of employment will move from 1 March to 1 July 2020, which may increase the number of employees who are eligible from 3 August 2020 under the existing rules and from 28 September 2020 for the extension periods.

Employees are eligible in the extension periods if they:

- are currently employed by an eligible employer (including if they were stood down or rehired);

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- were either a full-time, part-time, fixed-term or a long-term casual employee at 1 July 2020 for the eligible employer and not a permanent employee of any other employer;
- were aged 18 years or older at 1 July 2020 (if you were 16 or 17 you can also qualify if you are independent or not undertaking full time study); and
- were an Australian resident as at 1 July 2020 were not in receipt of government parental leave, Dad and partner pay or a payment in accordance with Australian worker compensation law for total incapacity for work.

### **JobKeeper payment rates from 28 September 2020**

The JobKeeper payment rates will be the following:

#### **From 28 September 2020 to 3 January 2021:**

- **\$1,200 per fortnight** for all eligible employees who were working in the business or not-for-profit for an average of 20 hours or more a week in the four weeks of pay periods before either 1 March or 1 July 2020, and for eligible business participants who were actively engaged in the business for an average of 20 hours or more per week; and
- **\$750 per fortnight** for other eligible employees and business participants.

#### **From 4 January 2021 to 28 March 2021:**

- **\$1,000 per fortnight** for all eligible employees who were working in the business or not-for-profit for an average of 20 hours or more a week in the four weeks of pay periods before either 1 March or 1 July 2020, and for eligible business participants who were actively engaged in the business for an average of 20 hours or more per week; and
- **\$650 per fortnight** for other eligible employees and business participants.

Where an eligible employee was employed at both 1 March and 1 July 2020, the period with the higher number of hours is to be used to determine the rate that applies.

Note: The Government is expected to enact legislation soon to effect the above. Maxim will provide a further update if required when the legislation becomes available, however, in the meantime a link to the Treasury's Factsheet is [Link to Treasury's Factsheet – click here.](#)

If you would like more information, then feel free to contact either Gino Terriaca, Tony Cassettai or Silvia Caratti of Maxim Private Advisory on (08) 9489 2555.

*Please note that this is general information only and professional advice should be obtained before acting on any information contained herein.*

13 August 2020

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