

# Client alert: JobKeeper 2.0 rules have been announced



*The JobKeeper 2.0 rules were released on 15 September 2020 to extend the subsidy and to implement a new 2-tiered payment system and decline in turnover test.*

## **How you can qualify for the extensions?**

**Extension 1 – 28 September 2020 to 3 January 2021:** To qualify you will need to:

- demonstrate that your actual turnover in the September 2020 quarter has fallen by at least 30% as compared to the September 2019 quarter; and
- work out what rate applies for each eligible employee or business participant, i.e. whether you will receive the higher \$1,200 rate (before tax), or the lower \$750 rate (before tax) per fortnight.

**Extension 2 – 4 January 2021 to 28 March 2021:** To qualify you will need to:

- demonstrate that your actual turnover in the December 2020 quarter has fallen by at least 30% as compared to the December 2019 quarter; and
- work out what rate applies for each eligible employee or business participant, i.e. whether you will receive the higher \$1,000 rate (before tax), or the lower \$650 rate (before tax) per fortnight.

For both extensions 1 and 2 the higher payment rate will apply to the following:

<b>Eligible employees</b>	Who worked <u>at least 80 hours</u> , including paid leave and public holidays, <u>during either of the following periods</u> : <ul style="list-style-type: none"><li>- The 28-day period ending at the end of the most recent pay cycle for the employee that ended <b>before 1 March 2020</b>; or</li><li>- The 28-day period ending at the end of the most recent pay cycle for the employee that ended <b>before 1 July 2020</b>;</li></ul>
<b>Eligible business participants</b>	Who were actively engaged in the business for <u>at least 80 hours during the month of February 2020</u> and provide a declaration to you (the employer).
<b>Sole traders</b>	Who were actively engaged in the business for <u>at least 80 hours during the month of February 2020</u> and provide a declaration to the ATO.

## **Extension 1 – Next steps .....**

1. As practically possible after the end of September 2020, check to confirm your turnover for the September 2020 quarter has declined by 30% as compared to the September 2019 quarter.
2. If you meet the turnover test then you must work out what payment rate will apply to your eligible business employees and business participant, and make sure that every fortnight you pay them at least that rate (before tax).
3. If you are not already enrolled for JobKeeper, you must enroll for Extension 1 (no action is required if you are already registered for JobKeeper).
4. Notify the ATO what rates apply to each eligible employee or business participant.

The ATO is still to provide further details as to the deadlines to attend to the above, but in the meantime if you would like more information and assistance with working out how you can qualify for Extension 1 then feel free to contact either Gino Terriaca, Tony Cassettai or Shirley Godfrey 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.*