

JOBKEEPER TO CONTINUE



The government have announced JobKeeper and JobSeeker payments will continue until 28 March 2021.

JobKeeper has been extended for 6 months to 28 March 2021, the extension allows businesses time to make plans and address cash flow with the aim of phasing JobKeeper out entirely.

All current arrangements will run to 28 September 2020.

JobKeeper 2.0

The first phase of JobKeeper was designed to get money out to businesses as quickly as possible. An unintended consequence of this was some employees being paid more on JobKeeper than they have been before COVID. Companies were also able to access JobKeeper if they satisfied the turnover test at any point during COVID, however going forward, there will be much greater scrutiny on changes in revenue.

- The current turnover test will be substantially tightened for each quarter.
- To qualify for the December 2020 JobKeeper, businesses must meet the decline in turnover test for each of the June, September and December 2020 quarters.
- The flat \$1,500 payments will be replaced by a new two-tiered payment system to reflect the pre-COVID working hours of employees.

	20+ hours a week	<20 hours a week
Until 27 September 2020	\$1,500 a fortnight	\$1,500 a fortnight
From 28 September 2020	\$1,200 a fortnight	\$750 a fortnight
From 4 January 2021	\$1,000 a fortnight	\$650 a fortnight

The JobKeeper payment will remain open to new recipients, provided they meet the existing eligibility requirements and the additional turnover tests during the extension period.

It is important to note that employers eligible under the current JobKeeper program may not necessarily be eligible under the extended program due to the tighter turnover requirements.

What if you're no longer eligible

If you were receiving JobKeeper and you will not be eligible going forward, this is the time to ensure you are looking at your cash flow and making necessary changes.

The government is aware that this will put pressure on businesses and has revealed plans to expand their SME Guarantee Scheme – raising the loan cap from \$250,000 to \$1 million.

Additional measures are likely to be announced on Thursday during the Treasurer's fiscal update.

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JobSeeker reduced

While JobSeeker payments were due to drop back to pre-COVID levels from 28 September, they will now be extended until December 2020 with a decrease in the \$550 a fortnight coronavirus supplement to \$250. That means the effective maximum JobSeeker rate will be about \$815.

In addition, the income threshold for people on JobSeeker will be increased to \$300. This is the amount that can be earned a fortnight without impacting on payments.

Mutual obligation requirements for people on JobSeeker will restart on 4 August, meaning people will need to undertake four job searches a month.

From the end of September, the mutual obligations will increase and the government will introduce an asset test for eligibility for payments. Eased eligibility requirements for sole traders on JobSeeker will remain in place, as will the waiving of the ordinary waiting period.

Further decisions on JobSeeker may be made in October budget, but certainly by the end of the year.

To learn more about what these changes mean for you and your business then feel free to contact 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.