

JobKeeper V2.0

An overview of the upcoming changes.

Key changes to JobKeeper

- ▶ **There will be two distinct JobKeeper periods each with its own qualification period**
 - ▶ Period One - From 28 September 2020 to 3 January 2021
 - ▶ Period Two - From 4 January 2021 to 28 March 2021
- ▶ **Actual turnover using the same method as that of your Activity Statements must be used**
- ▶ **There will be two rates of payment for eligible employees and business participants**

JobKeeper Periods

Period One

28 September 2020 to 3 January 2021 (inclusive)

- Turnover test period is the September 2020 quarter (July, August & September) compared to the same period in 2019.

Period Two

4 January 2021 to 28 March 2021 (inclusive)

- Turnover test period is the December 2020 quarter (October, November & December) compared to the same period in 2019.

JobKeeper Periods

- ▶ You do not need to have been receiving JobKeeper V1 to receive payments for either period.
- ▶ You do not need to have qualified for the first period of JobKeeper V2 to receive the second period - each test is separate.
- ▶ All other eligibility employer and employee eligibility criteria from JobKeeper V1 remains the same.
- ▶ If you did enrol in JobKeeper V1, you will not need to 're-enrol' just complete the new turnover test and tell the ATO which rates you are claiming for each employee/business participant.

Turnover Test

- ▶ **While the decline in turnover test largely remains the same two key changes have been made.**

1. Unlike the original decline in turnover test, you do not use 'projected' turnover you must use actual turnover.

This means that it is crucial to have your accounting records up to date as you will no longer be able to estimate.

2. When calculating turnover, you must now use the same method (cash or accruals) as that which you lodge your BAS.

Turnover Test

- ▶ For many businesses that are registered for GST, turnover will match ‘total sales’ reported at G1 on your BAS minus GST payable at 1A.
- ▶ If you are not registered for GST, you can use the most appropriate method, either cash or accruals.
- ▶ The ‘alternative’ tests remain similar to JobKeeper V1 but with the new test period.

JobKeeper Payment Rate

- ▶ Unlike JobKeeper V1, which was a flat rate of \$1,500, all employees may not receive the same rate in JobKeeper V2.
- ▶ Employers will need to assess each employee to determine which tier they fall into based off actual hours worked in a reference period.
- ▶ For employees, the reference period is the 28 day period prior to the last pay before either;
 - a) 1 March 2020 or
 - b) 1 July 2020
- ▶ If employees worked more than 80 hours (including paid leave) they qualify for tier 1, otherwise they are on tier 2. If the two reference periods result in different outcomes, the one which results in the higher rate must be used.
- ▶ For business participants, the reference period is the month of February 2020 and the total 80 hours of 'active engagement' remains the same.

JobKeeper Payment Rate

▶ Pay Cycle Ends 25 February

▶ 28 days prior

▶ Worked or received paid leave for more than 80 hours?

February 2020

S	M	T	W	T	F	S
26	27	28	29	30	31	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

JobKeeper Payment Rate

Period One

28 Sep 2020 to 3 Jan 2021

Tier One -
\$1,200

Tier Two -
\$750

Period Two

4 Jan 2020 to 28 Mar 2021

Tier One -
\$1,000

Tier Two -
\$650

Key Takeaways

- ▶ You need to ensure your accounting records are up to date and September is finalised as soon as possible after month end.
- ▶ If you are certain to qualify, you can begin assessing employees now to determine the correct tier.
- ▶ Alternative tests are available for both the turnover test and payment rate tests.

Contact us for assistance or with any questions.

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