

## Article Information

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## JobKeeper Payment - A wage subsidy scheme for businesses affected by coronavirus

**Under the JobKeeper Payment businesses significantly impacted by the Coronavirus will be able to access a subsidy allowing them to continue paying their employees. Affected employers will be able to claim a fortnightly payment of \$1,500 before tax per eligible employee from 30 March 2020 for up to 6 months.**

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Participating employers will pass on this flat \$1,500 per fortnight before tax as a subsidy of part or all of eligible employees' wages. All eligible employees, including part-time employees, will receive the full \$1,500 from participating employers. The Australian Tax Office (ATO) will be responsible for the administration of the JobKeeper payment.

### Eligible Employers

An employer whose business' turnover is less than \$1 billion is eligible if

- The business' turnover will be reduced by more than 30 per cent relative to a comparable period a year ago of at least a month, and the business is not subject to the Major Bank Levy

An employer whose business' turnover is more than \$1 billion is eligible if

- The business' turnover will be reduced by more than 50 per cent relative to a comparable period a year ago of at least a month, and the business is not subject to the Major Bank Levy

Further information for employers will be made available at the ATO's website, which you can access [here](#).

### Eligible Employees

Eligible employees are those who;

- Are currently employed by an eligible employer and were employed by the employer at 1 March 2020\*; and
- Are full-time, part-time, or have been casually employed on a regular basis for longer than 12 months as of 1 March 2020 (long-term casual); and
- Are at least 16 years of age; and
- Are an Australian citizen, Permanent Visa Holder, Protected Special Category Visa Holder, Non-protected Special Category Visa Holder who has been residing continually in Australia for 10 years or more, or Special Category (Subclass 444) Visa Holder; and
- Are not receiving JobKeeper payment from another employer

\*This includes:

- Those that have been stood down since March 1 2020
- Those that were employed as of 1 March 2020, subsequently ceased employment, and then has been re-engaged by the same eligible employer

For more information regarding employee eligibility click [here](#)

## Application Process

Eligible employers can now register their interest in applying for the JobKeeper Payment at [ato.gov.au](https://ato.gov.au)

- In the future, eligible employees will be able to apply for the scheme through an online application
- Eligible employees will need to be identified and monthly updates provided regarding participating employees
- The first payment will be received by employers from the ATO in the first week of May
- Further details will be provided in due course at [ato.gov.au](https://ato.gov.au)

## Obligations on Employers

- Firstly, employers intending to access the JobKeeper payment must register an intention to apply on the [ATO website](#)
- Employers must provide information to the ATO regarding the number of eligible employees engaged as at 1 March 2020 and those currently employed by the business, including those stood down or re-hired
  - This information must continue to be provided on a monthly basis
- Employers are obliged to ensure that each eligible employee receives at least \$1,500 per fortnight before tax
  - Note that this applies to all eligible employees, regardless of whether their income prior to the JobKeeper payment was greater or less than \$1,500 per fortnight.
  - Part-time employees' access to the JobKeeper Payment is not prorated. In practice this means that all part-time employees must, as with all eligible employees, receive at least \$1,500 before tax per fortnight from participating employers
- If an eligible employee's wage is in excess of \$1,500 before tax per fortnight, the excess of their wage must be paid by the employer
  - Eligible employers may seek to reduce the wages of employees by agreement with each employee or otherwise to \$1,500 before tax per fortnight to avoid paying the excess
- However, this lowered wage must not be below the applicable award minimum wage as employers and employees are not able to contract out of the award minimum rate of pay. Employees must notify all eligible employees that they are receiving the JobKeeper Payment
- Superannuation is not included in the JobKeeper Payment. Superannuation obligations are outlined in further detail below

## Superannuation Obligations

Superannuation obligations must be honoured in spite of any JobKeeper Payments being received by employees.

No superannuation is required to be paid on any amounts in excess of the amount determined in any superannuation guarantee. However, employers have the option of paying superannuation on top of any excess payments provided as a result of JobKeeper payments.

## Obligations on Employees

Employees will receive a notification from their employer that they are receiving the JobKeeper payment. Employees in the following circumstances have unique additional obligations

- Employees with multiple employers must notify the employer that is their primary employer
- Those employees who are not Australian citizens must notify their employer of their visa status to allow them to determine if they are eligible to receive the JobKeeper payment
- Employees currently receiving an income support payment from Services Australia (formerly known as Centrelink) must duly notify them of this new source of income

For more information relating to employee obligations click [here](#)

## Interaction with other income support payments

- JobKeeper Payment must be reported as income<sup>[1]</sup>
- Receipt of this payment may therefore affect eligibility for other payments from Services Australia which are income means tested
- An individual cannot receive the JobKeeper and JobSeeker payment<sup>[2]</sup>
- If an employee has applied for JobSeeker Payment and wishes to receive JobKeeper Payment instead, they should speak to their employer.

### **How does the JobKeeper payment work in practice?**

1. Eligible employers register their interest, and subsequently apply online. This will include providing the ATO with certain information
2. Eligible employers notify eligible employees
3. Eligible employees who have been notified carry out their obligations, if any
4. Employers ensure that each eligible employee receives at least \$1,500 per fortnight before tax
5. Employers will be reimbursed by the government monthly in arrears as of May 1 2020. Reimbursement will be made according to the number of eligible employees.

To register your interest as an eligible employer, click [here](#)

For more information regarding employers and JobKeeper Payment, click [here](#)

For more information regarding employees and JobKeeper Payment, click [here](#)

All information was obtained from the above source

[\[1\]](#) JobKeeper Payment - Information for Employers, Fact Sheet, Federal Treasury

[\[2\]](#) JobKeeper Payment - Information for Employers, Fact Sheet, Federal Treasury