



### **Jobkeeper 2.0 Extension – What are the new changes?**

The JobKeeper payment has been extended by a further six months to March 2021 for eligible business's that continue to be significantly impacted by Covid-19. The extension is broken down into two 3 monthly periods i.e. 28 September 2020 to 3 January 2021 and 4 January 2021 to 28 March 2021, with each period having separate eligibility criteria as detailed below.

### **What is the eligibility criteria?**

In addition to the original eligibility criteria for Jobkeeper, under the extended scheme, small businesses will need to demonstrate a decline in turnover of 30% or more as per the following:

<b>Jobkeeper Extension Period</b>	<b>Decline in Turnover Test</b>
28 September 2020 – 3 January 2021	You will need to demonstrate that your actual GST Turnover has fallen in the September 2020 Quarter relative to the September 2019 Quarter.
4 January 2021 – 28 March 2021	You will need to demonstrate that your actual GST Turnover has fallen in the December 2020 Quarter relative to the December 2019 Quarter.

Businesses may be eligible for one or both of the Jobkeeper extension periods provided they meet the decline in turnover test for that period.

### **What accounting method (cash or accruals) can I use to determine my eligibility?**

Businesses must use the same accounting basis (cash or accruals) used for BAS reporting when determining their eligibility. This differs from the first phase of Jobkeeper where either method could be used.

If you are not registered for GST, you can choose to use cash or accruals, however, the ATO have advised you must be consistent

### **My business has not received Jobkeeper previously. Can I get it now?**

Yes. Provided you meet the eligibility criteria and complete the original enrolment process through ATO online services.

### **I have been receiving Jobkeeper previously and will continue to be eligible. Do I need to enrol again?**

No, however, you will need to notify the ATO of your eligibility using an online platform (myGov, business portal or through a registered agent) by 31 October 2020.

If you lodge BAS, we would suggest lodging your September 2020 BAS as soon as possible to make this process easier.

### **I've received Jobkeeper previously but am no longer eligible. What do I need to do?**

If you have employees, you are required to notify them that your business is no longer eligible for Jobkeeper.

Keep in mind that while you may not qualify for the first extension, you may qualify for extension 2 so remember to check your eligibility again at the end of December.

### **What if I don't have a relevant comparison period e.g. I am a new business, or by business income is 'lumpy'?**

The ATO have issued alternative tests for small business in these circumstances. Please refer to the link below or contact our office if you believe these tests may be relevant to you.

<https://www.ato.gov.au/General/JobKeeper-Payment/In-detail/Original-decline-in-turnover-test/?anchor=modifiedbasictest#modifiedbasictest>

Please note, if your business commenced trading after 1 March 2020, the business will not be eligible for Jobkeeper payments.

### **Once I have determined my business is eligible, what will I receive for each employee?**

JobKeeper 2.0 will contain a two-tier payment scheme, dependent on the number of hours an employee has worked during the relevant reference period.

The reference period is the four weeks of pay periods before either 1 March 2020 or 1 July 2020. Workers with 1 March 2020 eligibility are able to use the period with the higher number of hours worked.

	<b>Period of Time</b>	<b>Full-Time Employees (worked 80 hours or more in the reference period)</b>	<b>Part-Time Employees (worked less than 80 hours in the reference period)</b>
Phase 1	28 September 2020 – 3 January 2021	\$1,200 per fortnight	\$750 per fortnight
Phase 2	4 January 2021 – 28 March 2021	\$1,000 per fortnight	\$650 per fortnight

Once you establish which payment tier each employee is entitled to, you must notify the employee of their payment tier no more than 7 days after you have notified the ATO.

### **Who is an eligible employee?**

If you are unsure if your employees qualify, please use this ATO link showing all eligibility criteria. <https://www.ato.gov.au/general/jobkeeper-payment/employers/your-eligible-employees/>

### **My employees don't normally get paid as much as the amounts listed above. What should I do?**

If your eligible employees have not been paid the above amounts for these fortnights and you are eligible for the extension, you will need to "top up" their wages to the payment tier that is applicable to them.

You have until **31 October 2020** to meet this wage condition for all your eligible employees for fortnights starting 28 September 2020 and 12 October 2020.

### **My employees normally get paid more than the amounts listed above. What should I do?**

You do not need to do anything different other than continue to pay them as you normally do.

### **I use a software program such as Xero, Reckon, MYOB or Quickbooks to record my wages and for STP lodgements. What do I need to do?**

You will need to select which payment tier you're claiming for each eligible employee or business participant. If your business is STP enabled, you will need to use your software to advise the ATO of the payment tier applicable for employees. If your business does not use STP reporting, you will need to advise the ATO of the relevant payment tier for each employee by your first monthly business declaration in November. Please refer to your software provider for further information on Jobkeeper reporting.

### **What do I pay my employee's if I haven't worked out if I am eligible for the extension?**

We suggest that you make every effort to establish your eligibility as soon as possible where employees are involved. However, in the meantime you can revert to the conditions that apply under their normal employment agreement until you establish if your business is eligible. If your business is eligible, you can then make top up payments by 31 October if employees have not been paid up to their applicable payment tier.

If your business is no longer eligible for Jobkeeper, you will need to notify your employees.

## **I am a small business owner but do not have any employees. Am I still eligible?**

Potentially yes, as per the initial Jobkeeper scheme, one small business owner (referred to as an eligible business participant) can register for payments. Check your eligibility at the below links

- [Partnerships, Trusts and Companies](#)
- [Sole-traders](#)

The rate of the JobKeeper Payment received by business participants will depend on the number of hours an eligible business participant is actively engaged in the business, and will be split into two tiers:

- **Tier 1 – (Eligible for Full Rate)** – this rate applies to eligible business participants who were actively engaged in the business for 80 hours or more in February 2020 and provide a declaration to that effect;
- **Tier 2 – (Eligible for Partial Rate)** – this rate applies to any other eligible business participant.

	<b>Tier 1</b>	<b>Tier 2</b>
28 September 2020 – 3 January 2021	\$1,200 per fortnight	\$750 per fortnight
4 January 2021 – 28 March 2021	\$1,000 per fortnight	\$650 per fortnight

It is important to note that business participants must keep records to show they were actively engaged in the business. These records might include business diaries, appointment books, logbooks, hours billed, invoices issued, time sheets or attendance records, or records prepared for other business or statutory purposes.

## **Do I need to declare to the ATO my monthly turnover?**

Yes, you will need to submit a monthly declaration to the ATO between the 1st and the 14th of each month, to receive your reimbursements for payments you made in the previous month. If this is not completed, you will not be reimbursed by the ATO.

## **When do I get paid the Jobkeeper payments?**

As with the original Jobkeeper Scheme, businesses are reimbursed their wages following the end of each month for which they are eligible for Jobkeeper.

**If you require further assistance, please contact our office on 07 5437 6600 or [info@paabs.com.au](mailto:info@paabs.com.au).**