

Jobkeeper Update - extension 2 for Jobkeeper

As you may already know, the ATO have extended the Jobkeeper scheme past the original finish date of 27th September 2020. The next Jobkeeper extension will come into effect from **4th of January 2021 to 28th March 2021.**

For this extension, the ATO have slightly modified the eligibility and payment rules. Below is all the information that you need to know.

Entity Eligibility Test

The test to check if your entity is eligible for the next extension is as follows:

- Your **actual** GST turnover (income) has fallen at least 30% for the quarter ended 31st December 2020 compared to the quarter ended 31st December 2019.

It is important to note the test is based on your **actual** GST turnover for the quarter. Please note when calculating your GST turnover, you only include income from normal operating activities, you do not need to include income from Jobkeeper or other government stimulus.

New Payment System

Very importantly, for any pays you make from 4 January, the payment tiers have also been updated to new amounts. Employees eligible for Tier 1 will receive \$1,000 gross per fortnight, all other eligible employees will receive the Tier 2 payment of \$650 gross per fortnight. It is recommended that you only pay your employees for normal hours and don't pay any top ups until you are certain of your eligibility for the extension and the payment tiers of your employees.

To calculate which tier your employees are eligible for, the test is based on the four weeks prior to their eligibility. So for your employees who were eligible as at 1 March 2020, for them to be eligible for tier 1 they must have worked at least a total of 80 hours in the four weeks of February. If they haven't, they will fall in tier 2. This is the same for any employees who became eligible from 1 July 2020, except the hours worked test will be for the four weeks prior in June. If you were eligible for the original Jobkeeper extension from October to December, the payment tiers for your employees will remain the same.

If you have an eligible business participant, they will also fall into one of the 2 payment tiers. They must also assess the hours that they were actively engaged in the business and the period for this is the same four week period in February. As there might not be a record of this, a signed declaration stating the number of hours that you were engaged in the business is enough evidence to support your claim.

The other conditions are all the same, meaning you don't have to get further approval from your employees to continue claiming for them.

If GLR is already completing your Jobkeeper claims, we will do the decline in turnover check for you in early January and if eligible, the payment tier check for employees. We will then contact you letting you know if you will remain eligible or not.

If you have any questions, there is a summary provided by the ATO at this link <https://www.ato.gov.au/General/JobKeeper-Payment/JobKeeper-extension-announcement/>, otherwise please feel free to contact the office.