

JobKeeper Action Plan

This handout has been developed primarily for OptimizeWine & OptimizeAg clients and does not include all eligibility criteria, and other requirements, that relate to entities that are out of scope of our client base. The information is believed to be correct at the time of publishing but may change without notice as the ATO further define the JobKeeper Payment systems and terms. The information is generic, and you should check with your accountant or financial adviser before you rely on this information.

Step 1 – Is this for my business?

- **Is my business eligible?**
 - On 1 March 2020 the entity carried on a business in Australia and
 - If your GST turnover is less than \$30 Billion:
 - At least 1 calendar month from April to Sept 2020 must be more than 30% down on the same period last year.
 - Or if you are using quarters it can be the Quarter starting 1 April or 1 July.
 - The relevant comparison period must be from 2019.
 - If your business cannot be compared to 2019 for a specific reason the commissioner can determine an alternative test.
 - The business only has to meet the GST turnover test once, it doesn't matter if it doesn't continue to meet the test.
 - Definition of turnover from the ATO - GST **turnover** is the total income from sales to your customers less the GST.
 - The ATO are still to provide information on how to apply the turnover test.
 - Not an ineligible entity
 - An entity required to pay a Major Bank Levy
 - An Australian government agency, or wholly owned by such entity
 - A local governing body, or wholly owned by such entity
 - A sovereign entity
 - If a liquidator or provisional liquidator has been appointed for a company
 - A trustee in bankruptcy has not been appointed to an individual's property

- What do I need to do to qualify for JobKeeper?
 - Business must qualify for the eligibility criteria on or before the end of the fortnight they are going to register & make the first payment (exceptions are in place for April)
 - The business must notify all employees in writing that they intend to participate in the scheme
 - Have received the Employee Nomination Notice from the Employees
 - Register with ATO on the correct form of intent to participate (from April 20) – through ATO Business Portal using MyGov ID
 - Have advised employees of their nomination to the ATO within 7 days
 - Have eligible employees before the end of the JK fortnight
 - Have paid the minimum wages of \$1500/fortnight to eligible employees
 - Can be paid weekly, fortnightly or monthly but will be attributed to JK fortnights by the ATO based on the payment date
 - \$1500 can include wages, salary, commissions, bonus or allowances (before tax), salary sacrificed amounts & other salary sacrifice arrangements
 - Have reported required information on the correct form to the ATO by 7th of the following month (form not yet available). Will be able to report through the ATO Business Portal.

- **Did you employ Full-time, Part-time or long-term casuals at 1 March 2020**
 (Eligible long-term casual – *Employed on a regular basis for longer than 12 months as at 1 March 2020 and who is not a permanent employee of another entity*)
 - Do you have eligible employees? *See eligibility next page*
 - Work out how many employees are eligible and estimate the cost to the entity to pay the \$1500 upfront

- **Do you have the cash flow to offer the JobKeeper payment to your employees?**
 - You will need to pay the employees a minimum of \$1500 per fortnight
 - For fortnight 1 & 2 you must have paid your employees at least \$3000 by the end of April
 - For at least 2 fortnights and possibly 3 before you can claim and get the payments refunded. The government will pay the subsidy back into your bank account within 14 days of the beginning of the next month if you have met the reporting requirements and paid your employees
 - If you don't have a high level cash flow template you can download one here <https://www.optimizeag.com.au/covid-19-business-action-plans/>
 - **This is a deal breaker! If you don't have the cash flow don't claim.** There is a lot of pressure on the government to allow back payments to employees after the subsidy has been received by the employer, but there has been no change yet. The only back payment allowed currently, is for the first fortnight (30/3 to 12/4) and it must be paid up before the end of April 2020.
 - **We are now in a Single Touch Payroll (STP) environment, so the government know who you pay and when you pay! They will check you have processed the wages through STP BEFORE they process any refunds**
 - The government are suggesting that, if you have a cash flow problem and can't pay the JobKeeper payment upfront, you negotiate with your bank for an advance to be paid back by the ATO JobKeeper monthly subsidy payments.

- **Are your employees eligible?**

- At least 16 years old
- Full time, part time or
- a casual employee, who is not a permanent employee of another business, and who was employed by the entity on a systematic and regular basis for more than 12 months at 1 March 2020.
- Australian citizen or a holder of one of the approved Visas
- Must have provided the entity with an Employee Nomination Notice
- Not receiving JobKeeper from another employer
- Eligible employees can include:
 - Current employees
 - Stood down employees
 - Re-hired employees – who were previously employed on 1 March 2020
- All eligible employees must be included – JobKeeper is a “1 in all in” scheme.
- Excludes anyone:
 - on Parental leave, Dad or partner pay
 - not working and receiving Workcover payments

- **If you are a **business owner (self employed)**, you are eligible if:**

- The entity had an ABN at 12 March 2020 (or later time at ATO discretion)
- The entity must have had an assessable income & made a taxable supply in a period from 1 July 2018 to 12 March 2020.
- GST must apply to the taxable supply
- ATO have received notice of assessable income by Tax return or Activity Statement by 12 March 2020 (or a later time allowed by the commissioner)
- The business cannot be a non-profit body
- You are **actively engaged** in running the business as a Partner, Trust Beneficiary, Director or Shareholder of a company, or a sole trader
– but only one business owner not being paid wages is eligible.
- You were not paid wages during the fortnight
- You comply with the same individual eligibility & exclusion criteria as employees
- You have been given written notice by the business within 7 days of nominating notification to the commissioner (the same as employees) unless you are a sole trader.

Step 2 – What do I need to do?

- **To Register an Intent to Apply for the JobKeeper Payment** go to <https://www.ato.gov.au/Job-keeper-payment/>
- **Organise Employee Information**
 - Work through all employees who were employed at 1 March 2020 and determine which are eligible
 - Contact the employees to find out if they are claiming from another employer.
 - Work out whether you can afford, or get access to funds, to pay all eligible employees in advance the \$1500/fortnight
 - JobKeeper is “one in all in”. All eligible employees must be included.
 - If you are going ahead, have the employees complete the **JobKeeper Nomination Notice** form so you have confirmation that they agree to be nominated
 - Casual employees who are permanent (Full time or Part time) employees of another employer are not eligible under their casual employer.
 - If an employee is a permanent employee of more than one employer, the employer who is utilising the tax-free threshold for the employee will be the primary employer & therefore the eligible employer for the employee.
- **Enrol for JobKeeper online**
 - To enrol you will need:
 - your bank account details – if your arrangement with the bank requires the JK payments go to a new account it needs to be opened
 - The number of eligible employees for FN01 & FN02, or if registering for a later fortnight the number of eligible employees in that fortnight
 - From **April 20** you can lodge an application through the ATO Business Portal
 - <https://www.ato.gov.au/general/jobkeeper-payment/employers/enrol-and-apply-for-the-jobkeeper-payment/>
 - If the employer elects to participate in the JobKeeper Scheme from 30 March they must notify the ATO by the end of the second fortnight – 26th April
 - If the employer elects to enter the scheme in a later fortnight they must notify the ATO by the end of the fortnight they wish to commence claiming in
 - The employer must give the employee written notice confirming nomination within 7 days of notifying the commissioner
 - It is possible to register in a later fortnight if you become eligible (ie: turnover drops) but you can't back date any claims
 - **If the tax agent or BAS agent enrolls for the business they will need:**
 - **Business Bank account details for the JK Payment to be paid to**
 - **The number of employees eligible for each of the first 2 fortnights**
 - **Confirmation the employees are eligible & have provided the nomination form**
 - **Confirmation that the business is eligible**

- **Pay the Wages**
 - The employees being paid the JobKeeper Subsidy will be notified to the ATO through the STP reporting process
 - STP compliant software is being modified to cater to the ATO requirements
 - Check the setup requirements with your STP software provider or your financial adviser
 - See notes about Paying wages at Step 4

- **Monthly Reporting**
 - will be done through the ATO Business Portal so you will need to have your MyGovID organised. Your accountant or BAS Agent will also be able to do the reporting for you if you prefer.
 - The first monthly reporting will be available from May 4th.
 - When reporting you will need to:
 - Report by 7th of the following month
 - GST turnover of the previous month
 - Projected GST turnover for the following month
 - Employees paid the JobKeeper payment
 - Tax agents & BAS Agents can report the first 2 fortnights up to 31 May 2020

- **How will I receive the Payments from the ATO?**
 - The payments from the ATO for JobKeeper will be deposited into the employers' bank account within 14 days of the end of month providing that:
 - The employer has paid the employees the required \$1500/fortnight (STP reporting will be checked)
 - The employer has lodged the claim in the required manner
 - The employer has met the eligibility criteria or expects to meet the eligibility criteria for at least one of the defined periods
 - Note: if the JobKeeper payment is overpaid for the first 2 fortnights the ATO will recoup the payment. Eg: if the business intends to meet the downturn requirement, claims and then does not meet the requirement, or the business claims for ineligible employees.
 - From the third fortnight, payment from the ATO will constitute notice to the business that the ATO is satisfied the business was entitled to the payment for each employee. If the commissioner is NOT satisfied the business must be notified.
 - No payments can be made after 30 September 2021. This extended date allows for late payments due to late notifications – but extenuating circumstances would need to be approved by commissioner. The general rule is that there will be no back payments.
 - The Payment, when received from the ATO, should be allocated to a new income account named something like “JobKeeper Top Up” and will not attract GST.

Read: ATO Fact Sheet: JobKeeper payment – Protecting Integrity

https://treasury.gov.au/sites/default/files/2020-04/Fact_sheet_Protecting_integrity.pdf

For more information refer to

<https://treasury.gov.au/coronavirus/jobkeeper>

<https://www.ato.gov.au/general/JobKeeper-Payment/>

References

ATO & Treasury Fact Sheets

ATO website links above

Step 3 – Employee Actions

- Provide the employees with a letter of JobKeeper Payment Intent
- Make sure your employees understand they can only receive the JobKeeper Payment from 1 employer and that you have received the JK nomination form from them
- Re-engage employees who were terminated if you are claiming for them
- Review and consider revised Award amendments
 - Do you need a working from Home Policy?
 - Do you have a COVID-19 Policy?
- Make sure you have a company policy in place that covers Job Keeper Payments and the expectation that the employee works as requested.
 - Fair Work have altered some awards to include the right of the employer to request the employee do tasks that they have the skills to do but are out of scope of their normal job description.
 - The policy should cover the consequences of failure to work rostered hours and the resulting disciplinary actions which could result in dismissal.
 - Make sure all employees sign the policy. The intention here is to prevent employees refusing to work because they think they will get paid the JobKeeper payment anyway.
- If employees are stood down and not able to come on site to work, is there any work you can get them to do remotely?
 - Company procedures & policies
 - New programs
 - New designs
 - Marketing, Website updates, etc
 - Deep clean of premises – employees by rotation
 - Training - upskilling, work tickets, certificates

Step 4 – Payroll Set Up

As payroll is complex, and each entity & employee requires individual assessment when setting up payroll, I am not including specific instructions here but rather generic information. If you wish to get specific information for your entity, please contact me.

JobKeeper Fortnight Dates

March 30 to April 12	April 13 to April 26	April 27 to May 10
May 11 to May 24	May 25 to June 7	June 8 to June 21
June 22 to July 5	July 6 to July 19	July 20 to August 2
August 3 to August 16	August 17 to August 30	August 31 to September 13
September 14 to Sept 27		

JobKeeper Payment Processing

MYOB - <https://help.myob.com/wiki/display/ar/COVID-19+wage+subsidy+%28JobKeeper%29+payments>

XERO - <https://www.xero.com/blog/2020/04/jobkeeper-coming-to-payroll/>

Advise ATO which Employees are to receive JobKeeper

- The “Other Allowances” pay item or wage category will be used to indicate the first and last fortnights each employee is to be paid JobKeeper payments.
- The links to the support notes for MYOB & Xero are included above, but if you need assistance with setting this up, please contact us.

Superannuation

- Super applies to all Ordinary Time Earnings as usual ie: all hours worked
- Super does not apply to the JobKeeper Top up payment where it is in excess of the gross payable for hours worked

WorkCover

- I suspect that the top up payments for hours not worked will not be remuneration for SA Workcover purposes, but this needs to be confirmed by Return To Work SA. Check with your state Workcover body.

Leave Impact

- Annual Leave & Personal Leave accrues for permanent full time or part time employees receiving JobKeeper whether they are working or stood down. You will need to manually enter a leave adjustment if the employee has been stood down or isn't working their normal hours
- The period the employee receives the JobKeeper Payment for is included as continuity of service when calculating Long Service Leave length of service

Public Holiday

- If an employee is stood down and would normally be paid for public holidays, they must still receive normal pay for public holidays
- JobKeeper Top up will then be used to top up the payment to the equivalent \$1500/fn if the employee is eligible