

Federal Government Stimulus Package Jobkeeper 2.0



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Jobkeeper 2.0

JobKeeper 1.0 will remain in place until 27 September 2020.

Following that, JobKeeper 2.0 will continue for a further six months until 28 March 2021.

Changes to JobKeeper

There will be two rates of JobKeeper payments for eligible businesses (including self-employed) and not-for-profits.

From 28 September 2020 to 3 January 2021:

- \$1,200 per fortnight for eligible employees and business participants who worked 20 hours or more a week on average in the month of February 2020.
- \$750 per fortnight for eligible employees and business participants who worked less than 20 hours a week on average in the month of February 2020.

From 4 January 2021 to 28 March 2021:

- \$1,000 per fortnight for eligible employees and business participants who worked 20 hours or more a week on average in the month of February 2020.
- \$650 per fortnight for eligible employees and business participants who worked less than 20 hours a week on average in the month of February 2020.

Eligibility

From 28 September 2020, businesses and not-for-profits seeking to claim the JobKeeper Payment will be required to demonstrate that they have suffered an ongoing significant decline in turnover using actual GST turnover (rather than projected GST turnover).

The thresholds for the decline in turnover test will remain the same but now the test must be applied at several points:

- To be eligible for the JobKeeper payments from 28 September 2020 to 3 January 2021, businesses and not-for-profits must satisfy the relevant decline in turnover test for the June quarter and for the September quarter based on actual GST turnover.

They will need to demonstrate that they have met the relevant decline in turnover test in both of those quarters to be eligible for the JobKeeper Payment from 28 September 2020 to 3 January 2021.

- To be eligible for the JobKeeper payments from 4 January 2021 to 28 March 2021, businesses and not-for-profits must satisfy the relevant decline in turnover test for each of the June, September and December quarters based on actual GST turnover.

The requirement to reassess the eligibility for the JobKeeper payments over the extension period is to ensure that only the businesses that need the most help will continue to receive the payments.

The JobKeeper payment will remain open to new recipients provided they meet the existing eligibility requirements and the additional turnover tests during the extension period.

Alternative Tests

The Commissioner of Taxation will have discretion to set alternative tests where an employee's or business participant's hours were not usual during the February 2020 reference period.

Employers will continue to be required to make payments to employees equal to, or greater than, the amount of the JobKeeper payment (before tax), based on the payment rate that applies to each employee (i.e. the wage condition).

The changes are expected to be implemented through amendments to the legislative instrument, Coronavirus Economic Response Package (Payments and Benefits) Rules 2020.

Jobseeker

The temporary JobSeeker coronavirus supplement will be extended to 31 December 2020.

Changes to the JobSeeker program include:

- The JobSeeker coronavirus supplement will decrease to \$250 a fortnight from \$550. Therefore, people on JobSeeker will receive a decrease from \$1,100 to \$800 (base rate of \$550 plus the coronavirus supplement) per fortnight after September.
- Recipients will be allowed to earn \$300 a fortnight before facing a reduction in their Government payment.
- Easing of restrictions for sole traders.

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