

## JobKeeper 2.0: Now extended to 28 March 2021

On 21 July 2020, the Government announced that due to the ongoing COVID-19 crisis, the JobKeeper Payment scheme will be extended by six months until 28 March 2021, from the original end date of 27 September 2020. The period of the extended scheme comprises 13 fortnights — i.e. the proposed extension doubles the length of the original scheme.

### Snapshot of the new rules from 28 September 2020:

- A two-tier payment rate will apply based on the worker's average weekly work hours in February 2020.
- The higher tier pays \$1,200 a fortnight until 3 January 2021, after which it will reduce to \$1,000 a fortnight.
- The lower tier pays \$750 a fortnight until 3 January 2021, after which it will reduce to \$650 a fortnight.
- From 28 September 2020, businesses and not-for-profits will be required to demonstrate that they have met the relevant decline in turnover test in both June and September 2020 quarters to be eligible for the JobKeeper Payment from 28 September 2020 to 3 January 2021.
- From 4 January 2021, businesses and not-for-profits will need to further demonstrate that they have met the relevant decline in turnover test with reference to their actual GST turnover in each of the June, September and December quarters 2020 to remain eligible for the JobKeeper Payment from 4 January 2021 to 28 March 2021.

### The changes to the JobKeeper scheme

#### a) Decline in turnover test

The proposed new decline in turnover test will operate as follows:

|  | Compare...   | ...with...   |
|--|--|--|
| <b>Monday 28 September 2020 to Sunday 3 January 2021</b> | Actual GST turnover in the June 2020 and September 2020 quarters.                | Actual GST turnover in the June 2019 and September 2019 quarters.                |
| <b>Monday 4 January 2021 to Sunday 28 March 2021</b>     | Actual GST turnover in the June 2020, September 2020 and December 2020 quarters. | Actual GST turnover in the June 2019, September 2019 and December 2019 quarters. |

### Implications

From 28 September 2020, businesses will no longer be able to test for eligibility using projected (i.e. estimated) GST turnover or to choose a calendar month as a test period.

Businesses will generally be able to assess eligibility based on details reported in their Business Activity Statement (BAS).

The deadline to lodge the September BAS is due in late October, and the December BAS is due in late January (monthly) or late February (quarterly). Therefore businesses will need to assess their JobKeeper eligibility in advance of the BAS deadline in order to meet the wage condition.

**b) The payment rate will be reduced in two tranches as follows:**

|   | Full rate             | Partial rate        |
|---|-----------------------|---------------------|
| Monday 28 September 2020 to Sunday 3 January 2021 | \$1,200 per fortnight | \$750 per fortnight |
| Monday 4 January 2020 to Sunday 28 March 2021     | \$1,000 per fortnight | \$650 per fortnight |

### Note

Businesses will be required to nominate which payment rate they are claiming.

**c) Categories of employees — hours worked in February 2020**

The two-tier payment system will apply to workers based on their average weekly work hours in February 2020 as follows:

|                                  | Employees   | Business participants   |
|----------------------------------|---|---|
|                                  | In the <b>four weeks of pay periods before 1 March 2020...</b>            | In the month of <b>February 2020...</b>   |
| <b>Eligible for full rate</b>    | Worked in the business for <b>20 hours or more per week</b> on average.   | Was actively engaged in the business for <b>20 hours or more per week</b> on average.   |
| <b>Eligible for partial rate</b> | Worked in the business for <b>less than 20 hours per week</b> on average. | Was actively engaged in the business for <b>less than 20 hours per week</b> on average. |

### Implications

Under the current scheme, the requirement for an employee to have been employed on 1 March 2020 and for a business participant to have been actively engaged in the business on 1 March 2020 does not include a minimum number of hours of the employment or active engagement.

Employees whose work hours decreased from at least 20 hours per week (average) to less than 20 hours per week after February 2020 due to the COVID-19 crisis – including those who were stood down – will still remain entitled to the full payment rate regardless of the hours they actually work in a fortnight from 28 September 2020.

Business participants who, pre-March 2020, worked in their business for less than 20 hours per week (average) but have since increased their active participation due to the crisis will not qualify for the full payment rate regardless of how many hours they work in their business from 28 September 2020.

**d) The Commissioner's discretion**

There are a number of matters in respect of which the Commissioner will have discretion in relation to the ATO's administration of the extended scheme.

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**For any questions regarding the legislation changes, please do not hesitate to contact our office.**

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