

## JobKeeper – Economic Stimulus #3

### JobKeeper - \$1500 per fortnight for employees (and others) during COVID-19

Tuesday 31<sup>st</sup> March 10am

Yesterday afternoon the Government announced Economic Stimulus package no 3 which included wage support for businesses and their employees impacted by a downturn in business or forced to close due to COVID-19.

It applies if the business has suffered a 30% decline in business as a result of the COVID-19 and it has impacted employees being paid.

#### **The Package is not yet LAW!**

It is likely to become law but nothing is certain about the detail or the way this will work until the law is passed.

The formula to calculate the 30% decline in business is not known yet. We understand that it will be a declaration by the business (or their advisors) based on evidence. It appears that any of; a year to year comparison, quarter to quarter or month to month evidence will be accepted if required.

#### **The proposal**

Provides \$1500 per fortnight from the government (paid by the ATO) per impacted employee.

This includes:

- those stood down, terminated or decreased hours.
- Full time or part time
- Casuals who have been with the business for more than 12 months are included

It also applies to **sole traders**, meaning for those in business for themselves and business has declined, then the government will support them through JobKeeper and not require the contact with Centrelink for the other program. Administration and application details are not yet known.

The proposed package:

- Money will begin to be received from 1<sup>st</sup> May.
- There will be an amount of backpay for the fortnights between 30<sup>th</sup> March and 1<sup>st</sup> May
- Then it will continue to pay up to \$1500 per fortnight per employee and then ongoing for up to 6 months

If an employee would normally earn less than \$1500 then they will now be paid \$1500 during this time, paid by the government for the employer to pass on. If they earned more than \$1500 this provides \$1500 to pass on, through payroll. Any amount above \$1500 is determined by the employer.

- The amount paid is taxable but does not incur Superannuation Guarantee.
- \$1500 per fortnight that is taxed (normally at \$162) therefore a net \$1,338.

We do not yet know the impact of this program on annual leave accrual etc nor the impact on those employees you have already terminated. We understand that Government is looking at considering it simply as a re-employment of those that have been previously terminated.

## Register Now

The only step available right now is to register the business with the ATO.

Link to the ATO webpage to register each business interest – [Click Here](#)

Either you, the business or the Accountant could do this. However, lets ensure only one does this for each business, to prevent overlap.

## The Intent

The program means you will receive money from the Government and pay it to the impacted employees through payroll, as if their employment was continuing as per normal.

The new program is JobKeeper (with a K). This is proposed to replace employee involvement in the JobSeeker program with Centrelink. We will provide further information as it becomes available. There should be an ability to transfer from one program to the other.

The intention of government is to provide this to employers to permit the business to evaluate the ability to keep the business running in some form or as part of plans to re-open the doors.

ICB will provide more detail as it becomes known.

## Resources

[All things COVID-19 from ICB](#)

[ICB Membership explained](#)

[Business Support by ICB](#)