



C O R E

B U S I N E S S A C C O U N T A N T S

JOBKEEPER 2.0 + 3.0 ADJUSTMENTS

Within days of announcing Jobkeeper 2.0, on 7 August the Government announced new measures that have reduced qualification criteria and extended the **Jobkeeper 3.0** program for a further six months.

The key points for Jobkeeper 3.0 are:

JobKeeper payments will now be payable until **28 March 2021**.

Jobkeeper payments will now be made beyond 27 September 2020 with two separate extensions, being:

- Extension Period 1 – which covers the seven JobKeeper fortnights that commence on 28 September 2020 and end on 3 January 2021; and
- Extension Period 2 - which covers the JobKeeper fortnights that commence on 4 January 2021 and end on 28 March 2021.

Note: employers need to separately satisfy a Decline in Turnover Test for both Extension Period 1 and Extension Period 2.

With these recent adjustments in mind, please read on for our complete review of **Jobkeeper 2.0**.

One rate of payment becomes two rates

Where an employer, sole trader or an eligible entity with an eligible business participant ('EBP'), qualifies for a JKP, they will either be paid at the:

- Full rate; or
- Reduced rate.

An employer will be paid at the full rate if, in the four weeks of pay periods before 1 March 2020, the employee was working in the business or not for profit for 20 hours or more a week on average.

A sole trader EBP, or an eligible entity with an EBP, will be paid at the full rate if the EBP was actively engaged in the business for 20 hours or more per week on average in the month of February 2020.

Where the employee (or EBP) did not achieve the 20-hour average, the JKP will be made at the reduced rate. However, the Commissioner will have a discretion to set out an alternative test where an employee's or EBP's hours were not usual during the February 2020 reference period.

What are the two new JobKeeper 2.0 rates?

These rates will be fixed for all of Extension Period 1 but will be adjusted downward for Extension Period 2.

Period	Full Rate	Reduced Rate
Extension Period 1	\$1,200	\$750
Extension Period 2	\$1,000	\$650

Which employees can now be eligible?

From 3 August 2020, the relevant date of employment (which is used to determine an employee's eligibility to JKPs) will move from 1 March 2020 to 1 July 2020. This is designed to increase employee eligibility for both the existing JKP scheme, as well as for the new extension periods from 28 September 2020. It will continue to be employees who have been in 12 months of continuous full time work.

Casual employees will still be required to have been employed on a regular and systematic basis for a minimum of 12 months (as is required under the existing JKP scheme).

Re-satisfying the Decline in Turnover Test

Under the existing JobKeeper Scheme, an employer, a sole trader EBP or an eligible entity with an EBP was only required to satisfy the Decline in Turnover Test once in order to be entitled to all the payments through to 27 September 2020.

To qualify for the JKP in the extension periods, businesses will now have to demonstrate that their actual GST turnover has significantly decreased in the previous quarter under JobKeeper 3.0.

The applicable rate of decline in turnover required to qualify for JobKeeper 3.0 is determined in accordance with the existing rules (i.e., 50% for entities with an aggregated turnover of more than \$1 billion, 30% for entities with an aggregated turnover of \$1 billion or less and 15% for ACNC registered charities). Note that, whilst the following discussion is focused on entities with a required decline of 30%, the underlying principles apply equally to required declines of 50% or 15%.

Extension Period 1

Specifically, to be eligible for the JKP Extension Period 1 (i.e., from 28 September 2020 to 3 January 2021), businesses only need to demonstrate a significant decline in turnover in the September 2020 quarter (whereas under the previously announced JobKeeper 2.0, they would have been required to show that they had suffered a significant decline in turnover in both the June and September 2020 quarters).

Extension Period 2

To be eligible for the JKP Extension Period 2 (i.e., from 4 January 2021 to 28 March 2021) businesses only need to demonstrate a significant decline in turnover in the December 2020 quarter (whereas under the previously announced JobKeeper 2.0, they would have been required to show that they had suffered a significant decline in turnover in each of the June, September and December 2020 quarters).

Note: All turnover comparisons are made on a quarterly basis, i.e., there are no monthly comparisons under JobKeeper 3.0.

Note: The fact an employer, a sole trader EBP or an eligible entity with an EBP did not make a claim under the existing JobKeeper Scheme does not prevent it from commencing to claim under JobKeeper 3.0 (assuming it satisfies the relevant tests, including the new Decline in Turnover Test).

To be legislated

All of the information described here has yet to be passed by both the House of Representatives and the Senate. The next time Parliament sitting is 24 August 2020, therefore, it could be early September before we have firm details of how all this will work.

For more details

Core Business Accountants are business advice specialists and we are across all the Coronavirus Stimulus payments which may be available to your business.

Don't hesitate to contact us on 5438 8088 or at mail@corebusiness.com.au should you require any information, guidance or clarification.

Please also refer to the links to the following Treasury facts sheets which provide extremely good Case Studies & examples:

Extension of the JobKeeper Payment (21 July 2020) https://treasury.gov.au/sites/default/files/2020-07/Fact_sheet-JobKeeper_Payment_extension_0.pdf

JobKeeper Payment: Changes to the Fair Work Act (21 July 2020)

https://treasury.gov.au/sites/default/files/2020-07/Fact_sheet-Changes_to_Fair_Work_Act.pdf