

JobKeeper package FAQs

During our recent webinar on Government economic and stimulus packages during COVID-19, we received many questions relating to the details for the newly released Federal Government's JobKeeper package.

Here, we compile a useful list of frequently asked questions to assist your business.

The Federal JobKeeper package was announced on Monday 30 March 2020, and given the speed with which reactive measures have been deemed necessary, many of the details Australian businesses are seeking were understandably vague in the [Treasury factsheet](#) at this point.

While the legislation has not yet been released, we have used the best knowledge we currently have in order to answer some of your questions.

How to apply?

- Employers will need to register their intention to apply on the [ATO website](#) and provide details regarding eligible employees and prove turnover reduction.
- JobKeeper is paid through the employer: Government will pay the employer, who is legally required to 'on pay' this amount to the employee.



Eligibility

Q Businesses must prove a reduction in income

- Business with a turnover of <\$1bn - by 30%
- Business with a turnover of >\$1bn - by 50%



Q How is turnover determined for the purpose of the JobKeeper payment scheme?

While we await confirmation from Government regarding a definition of 'turnover', we have answered your questions below.

Does it include income at a group or subsidiary level? and/or Is it based on worldwide group turnover like the other economic measures?

- This is yet to be specified - when the law is released then we should have a better idea.



What about partially owned businesses?

- Again this is yet to be specified, if the term aggregated turnover is used, this would include entities that are owned 40% or greater. However there is a discretion that the Commissioner of Taxation can exercise to de-group you for the purposes of aggregated turnover. This discretion must be applied for by the taxpayer.

Are there exclusions on turnover for businesses owned by funds? (eg. Super)

- There are currently no exclusions for businesses owned by funds for the definition of aggregated turnover.



Proof of reduction of income

Q What is the start date when proving this reduction?

- As we understand, 23 January 2020

Q How do I prove the reduction?

Can I use management accounts?

- Details are yet to be released, however we expect that management accounts would be sufficient to substantiate/demonstrate

What if my invoices won't prove a reduction for some time? eg. 60-90 days

- Unclear as the details are yet to be released - when the law is released then we should have a better idea.

What comparative time period is expected to show the reduction?

- A comparable period might include the previous month. Although this is not 100% clear as the details are yet to be released - when the law is released we should have a better idea.

Employees and payments

Q Is the \$1,500 per employee before or after tax?

- Before tax

Q Does it apply to:

Contractors, including those deemed employees for tax purposes, also subcontractors? eg. Physio through a club

- From what we understand on the available information this would apply to employees that are subject to PAYG - although this need to be confirmed when the law is released. On this basis we think it would be unlikely that ABN contractors would have an entitlement.

Self employed?

- ABN holders are eligible to apply on the basis they are self-employed/sole proprietor.

Full time employees that are not AU residents? eg. On a visa

- Visas that we know apply include: Permanent Resident, a Protected Special Category Visa Holder, a non-protected Special Category Visa Holder who has been residing continually in Australia for 10 years or more, and a Special Category (Subclass 444) Visa Holder.

Q For those on >\$1,500/mth or <\$1,500/mth, do I need to pass on the full amount?

- If the worker meets the eligibility criteria they must be paid the full \$1,500 i.e. 100% of the payment must be paid to the employee.

Q Can they keep working if they're getting the payment?

- Details are yet to be released, however we expect that this would be the case.

Q Can it be used for annual leave payments?

- From what we understand on the available information this would apply to annual leave payments on the basis it would be regarded as salary for the employee. When the law is released then we should be able to confirm this point.

Q Can it be used for redundancy payments?

- From what we understand on the available information the employee would need to continue their employment - although this need to be confirmed when the law is released.

How can ShineWing Australia help?

We will be monitoring all of these changes as they come to light and will update this page whenever new information is known.

For detailed questions regarding your individual business situation, please contact us for a set fee consultation.



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