

# TAX TALKS

Australia's Tax News Podcast - The Podcast for Australian Tax Professionals

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## UPDATE 20 | Jobkeeper Changes

Significant Jobkeeper changes are coming, which will make it harder to qualify and pay you less if you do.

### Jobkeeper Changes

The original Jobkeeper started on 30 March 2020 and will end on 27 September 2020. But what happens after that?

In this episode Andrew Henshaw of Velocity Legal in Sydney will walk you through the coming Jobkeeper changes. Here is what we learned but please listen in as Andrew explains all this much better than we ever could.

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### Jobkeeper Changes

The rules for Jobkeeper will change on 28 September 2020. The new Jobkeeper extends the original Jobkeeper scheme, but with four significant changes.

#### 1 – Split Between Full-Time and Part-Time

For the old Jobkeeper all employees received \$1,500 per fortnight. This meant a large windfall for some part-time employees.

The new Jobkeeper payments from 28 September onwards will now distinguish between full-time and part-time employees.

Anybody who worked 20 hours or more per week in February 2020 counts as full-time. Everybody else is part-time.

So you will have to indicate for each employee whether they are full-time or part-time when you apply for the extension.

#### 2 – Drop of Fortnightly Rate

During the old Jobkeeper the fortnightly rate was \$1,500 per eligible employee.

For the extended Jobkeeper this decreases to \$1,200 for October to December 2020 and then to \$1,000 from January to March 2021 for full-time employees. And to \$750 and \$650 for part-time employees.

### 3 – Actual Past Turnover

The turnover test for Jobkeeper 1.0 was based on projected turnover. You just gave it the best estimate you could. And if you got it wrong, that was ok.

For Jobkeeper 2.0 this changes to past turnovers. After 27 September it no longer matters what you project. All depends on your actual quarterly turnover since 1 April 2020. If each past quarter (June and September 2020 quarters as well as the December 202 quarter later on) had a drop of least 30%, you continue to qualify. Otherwise you don't.

### 4 – Continuous Test

For Jobkeeper 1.0 you just had to pass the turnover test once. It was like a door – once you were in, you were in.

For Jobkeeper 2.0 this changes to a continuous test per quarter. For each quarter, you have to show that the past 2 or 3 quarters all had suffered at least a 30% drop in turnover.

### Summary

So these are the four Jobkeeper changes that are coming your way. Split between full- and part-time, drop of fortnightly rate, change from projected to actual past turnover and change from a one-off to a continuous test.

The changes will make it harder to qualify. And if you do qualify, it will pay you significantly less.

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