

JobKeeper Payment

Based on information published as at 31 March 2020

Self-employed

Melissa is a sole trader running a florist. She does not have employees. Melissa's business has been in operation for several years. The economic downturn due to the Coronavirus has adversely affected Melissa's business, and she expects that her business turnover will fall by more than 30 per cent compared to a typical month in 2019.

Melissa will be able to apply for the JobKeeper Payment and would receive \$1,500 per fortnight before tax, paid on a monthly basis.

Worker with multiple jobs

Michelle currently works two permanent part-time jobs, at an art gallery during weekdays, and at the local café on the weekend. Due to the impact of the Coronavirus, the gallery has closed and Michelle has been stood down without pay under the Fair Work Act. Michelle continues to work at the café delivering take-away orders.

Michelle can only receive the JobKeeper Payment once, from the employer from whom she nominates as her primary employer. As Michelle only claims the tax-free threshold from her job at the art gallery, this will be treated as her nomination of the art gallery as her primary employer.

The art gallery is eligible for the JobKeeper Payment. The art gallery will pass the JobKeeper Payment on to Michelle, so she will receive \$1,500 per fortnight before tax. During the application process, the art gallery will notify the ATO that Michelle receives the payment from them. The art gallery is also required to advise Michelle that she has been nominated to the ATO as an eligible employee to receive the payment.

The café is not eligible to receive the JobKeeper Payment for Michelle. The income that Michelle receives from her job at the café does not change her entitlement to the JobKeeper Payment she receives from the art gallery.

Employer with employees on different wages

Adam owns a real estate business with two employees. The business is still operating at this stage, but Adam expects that turnover will decline by more than 30 per cent in the coming months. The employees are:

- Anne, who is a permanent full-time employee on a salary of \$3,000 per fortnight before tax and who continues working for the business; and
- Nick, who is a permanent part-time employee on a salary of \$1,000 per fortnight before tax and who continues working for the business.

Adam is eligible to receive the JobKeeper Payment for each employee, which would have the following benefits for the business and its employees:

- The business continues to pay Anne her full-time salary of \$3,000 per fortnight before tax, and the business will receive \$1,500 per fortnight from the JobKeeper Payment to subsidise

- the cost of Anne's salary and will continue paying the superannuation guarantee on Anne's income;
- The business continues to pay Nick his \$1,000 per fortnight before tax salary and an additional \$500 per fortnight before tax, totalling \$1,500 per fortnight before tax. The business receives \$1,500 per fortnight before tax from the JobKeeper Payment which will subsidise the cost of Nick's salary. The business must continue to pay the superannuation guarantee on the \$1,000 per fortnight of wages that Nick is earning. The business has the option of choosing to pay superannuation on the additional \$500 (before tax) paid to Nick under the JobKeeper Payment.
 - Adam can register his initial interest in the scheme from 30 March 2020, followed subsequently by an application to ATO with details about his eligible employees. In addition, Adam is required to advise his employees that he has nominated them as eligible employees to receive the payment. Adam will provide information to the ATO on a monthly basis and receive the payment monthly in arrears.

Employer with employees who have been stood down without pay

Zahrah runs a beauty salon in Melbourne. Ordinarily, she employs three permanent part-time beauticians, but the government directive that beauty salons can no longer operate has required her to shut the business. As such she has been forced to stand down her three beauticians without pay.

Zahrah's turnover will decline by more than 30 per cent, so she is eligible to apply for the JobKeeper Payment for each employee and pass on \$1,500 per fortnight before tax to each of her three beauticians for up to six months. Zahrah will maintain the connection to her employees and be in a position to quickly resume her operations.

Zahrah is required to advise her employees that she has nominated them as eligible employees to receive the payment. It is up to Zahrah whether she wants to pay superannuation on the additional income paid because of the JobKeeper Payment.

If Zahrah's employees have already started receiving income support payments like the JobSeeker Payment when they receive the JobKeeper Payment, they will need to advise Services Australia of their new income.

Employee made redundant after 1 March

Miles worked as a permanent part-time personal trainer at a gym for six months and was made redundant on 20 March 2020 in response to the Government directive that gyms close. Miles was not entitled to redundancy pay due to his length of service.

In response to the announcement of the JobKeeper Payment, the gym decides they want to re-engage Miles so they are well placed to resume their operations once the Coronavirus restrictions are lifted.

After being made redundant, Miles had registered an intent to claim with Services Australia for access to the JobSeeker Payment and the Coronavirus Supplement. Miles is single, with no children and in total he would be eligible to receive \$1,124.50 before tax per fortnight.

If Miles chooses to be re-hired by the gym, under the JobKeeper Payment he will receive \$1,500 a fortnight before tax while he is stood down. Miles will need to advise Services Australia of his income. He is no longer eligible for the JobSeeker Payment and the Coronavirus Supplement from Services Australia as a result of receiving the JobKeeper Payment.

Employer with 5 employees who all currently get paid more than \$1,500 per fortnight

Sara runs a landscaping company and employs five full-time gardeners. Sara is paying her employees \$1,700 per fortnight before tax. She expects that her turnover will decline by more than 30 per cent over the coming months and that she will either need to lay staff off or reduce their wages significantly.

As a result of the JobKeeper Payment, Sara will be able to keep employing every gardener, and only needs to pay the \$200 wage cost per fortnight before tax per employee above the \$1,500 per fortnight (before tax) JobKeeper Payment.