

Further Changes to the JobKeeper Subsidy Scheme

The Morrison Government announced on 7 August 2020, that the Government will ease the eligibility thresholds for businesses and employees to qualify for the JobKeeper wage subsidy program, largely due to the Victorian coronavirus outbreak that has shut down large parts of the State's economy. This article provides the updated information you need to know.

Business Turnover Test

Instead of businesses being required to demonstrate they have met the relevant decline in turnover test in both June and September 2020 quarters in order to be eligible for the JobKeeper subsidy in the December quarter, businesses now simply need to demonstrate that they have met the decline in turnover test **solely for the September quarter**. The decline in turnover test is still the same. That is, businesses will need to show they have suffered reduced turnover of 30% (or 50% if the businesses turnover is more than \$1 billion) compared to a comparable period 12 months ago.

The Government's change of heart comes as Victoria battles stage 4 lockdown restrictions. Many businesses that were starting to pick up throughout May and June have now been forced to either completely close or operate at a significantly reduced capacity as a result of stage 4 restrictions and therefore a revised reporting period of the turnover test was required to capture the current crisis of businesses around Victoria.

Similar revised arrangements will apply for March quarter JobKeeper payments, with employers required to only compare their December quarter position with that of the same quarter last year.

Employee Eligibility Test

The infamous 1 March 2020 date is known around the country as the date employees must have commenced working for a business in order to be eligible for the JobKeeper subsidy. However, the Government has now stated that for employees to be eligible for the JobKeeper program, they must have commenced work with their employer before **1 July 2020**.

The reasoning behind this change, according to Treasurer Josh Frydenberg, is because as many businesses started to open up in May and June 2020, this meant new employees were hired. These new employees, so long as they are on their employers books prior to 1 July 2020, will now be captured under the JobKeeper program.

The changes to the JobKeeper payment for eligible employees has not been changed.

Date	Full rate per fortnight	Reduced rate per fortnight
28 September 2020 to 3 January 2021	\$1,200	\$750
4 January to 28 March 2021	\$1,000	\$650

The reference period for employees regarding their hours worked to determine their tier of payment will be the two fortnightly pay periods prior to 1 March 2020 **or** 1 July 2020 (**Reference Period**). If over that Reference Period the employee averaged more than 20 hours per week, they will be eligible for the higher rate. If, however, the employee did not work above 20 hours per week over the Reference Period, they are eligible for the lower rate.

For employees who were eligible at 1 March 2020, the period with the higher number of hours is to be used to determine their tier of payment.

The Victorian crisis is the catalyst for the modification of requirements under the JobKeeper program which the Government has recently made. Of course, if further changes come to light, we will be sure to update our information accordingly.

For more information on this article and the changes to JobKeeper, please contact the Fitness Australia HR Hotline on 1300 211 311.