**Information Sheet on COVID JobKeeper**

We have prepared this Information Sheet to answer several questions we have received and clarifying the misleading media headlines. We encourage you to read it so that you understand the responsibility, but also because many of you may be eligible even though you think you are not.

* This legislation has been rushed through to help in the current environment. Some things are still to be worked out as the legislation is ambiguous. The Tax Office is dropping more information each day – but we are stuck with tight reporting deadlines.
* We have paraphrased some of the rules to make them clearer.
* A business (owner) is eligible for JobKeeper if it has had a 30% drop in income - unless their turnover is greater than $1 billion in which case it is 50% - none of our clients 😊
* A business may not yet have suffered a decline in turnover. You may be eligible now if your estimate income for April 2020 is less than your actual income for April 2019. You may also be eligible in a later month and must register at the beginning of the month in which you become eligible. (April is the only month in which you can register at the end of the month to be eligible from the beginning of the month. All other months require you to register from the beginning of the month.) Where you haven’t yet experienced a downturn in turnover, we will send a reminder to you in case you need to register at a later date.
* You may be entitled to JobKeeper even if you do not have staff or have not received “wages” from your business. You have some additional hurdles to jump but you may be eligible as an EBP – Eligible Business Participant. You will **not** be eligible as an EBP if you have a part-time or full-time job with someone else – even if it is not a large part of your income. That employer becomes your “primary employer” for JobKeeper purposes even if that employer provides only a small portion of your income.
* JobKeeper is not linked to the income of the employee’s spouse. JobSeeker is the old name for Newstart or the Dole, and that is income tested (with some relaxation of the rules during COVID) but JobKeeper has no such eligibility requirements.
* JobKeeper trumps JobSeeker. So if your employer offers it to you, you should take it. You may end up repaying some JobSeeker you receive prior to JobKeeper – but you are still in front.
* If you have multiple employers, there is a hierarchy of employers that you can claim JobKeeper from. You cannot claim JobKeeper for casual roles unless you are a long term casual (greater than 12 months and regular and systematic hours).
* You may have registered with the Tax Office previously for JobKeeper, you have only registered your interest. You now need to register as an eligible employer. To receive your JobKeeper payment for April, you must register for JobKeeper before 26th April – yes, Sunday 26th April on a long weekend.
* Once you are eligible, you remain eligible for the lifetime of JobKeeper (end of September 2020) even if your income returns to normal or increases.
* Eligible employers must also lodge a monthly declaration of income each month until the end of the JobKeeper. This is not to re-prove your eligibility (refer note above) as you remain eligible for the entire period. This information is needed to provide the Federal Government with real time reporting on what is happening in the economy so that they can tailor any further stimulus. The information to report includes:
	+ Any eligible staff ceasing to be employed
	+ Actual GST Turnover for the reporting month
	+ Estimated GST Turnover for the following month
* This Declaration can be lodged via the Business Portal and is due by 7th of each month until 7th October. You will need to keep your records up to date to be able to report on time.
* GST Turnover is your usual income that would be subject to GST if you were registered for GST. It applies to businesses that are registered for GST, AND those that are not. GST Turnover excludes Input Taxed Supplies such as residential rental income and interest. Don’t get too hung up on this – it really means your business income excluding other sources of income.
* You must pay your eligible employees at least $1,500 each fortnight to be eligible. Even if they don’t usually earn that much. (EBPs are excluded). If you have casual employees, you must “Top Up” their wage to the $1,500 amount before income tax.
* Failure to pay ANY eligible employee the minimum of $1,500 each fortnight means that you are not entitled to JobKeeper at all – ie not for any staff. Stiff penalty so don’t get it wrong.
* There are 3 fortnights in August based on the Tax Office’s pay cycles. You need to ensure your pay cycles meets this criterion.
* The payment is $1,500 per employee per fortnight. This is equal to $19,500 per employee over the life of the program. It may be less if you don’t meet the eligibility criterion until later. An employer with 10 eligible employees is entitled to $195,000. The payment is not subject to GST.
* The payment is in addition to any apprenticeship support.
* There are a number of notifications that need to be made. You need to ask employees if they wish to be nominated (in case they have another employer) and you must keep their written response for at least 5 years. You have to notify your eligible employees that you have registered and nominated them within 7 days of the registration. And you must lodge the monthly Declaration mentioned above.
* There are a number of excluded employees such as;
	+ an employee in receipt of parental leave payments,
	+ most employees on immigration visas,
	+ employees under 16 on 1st March 2020,
	+ casual employees (unless they meet the “long-term casual” definition),
	+ Employers nominated by another employer, and
	+ An employee on Workers Compensation benefits and not cleared to work any hours at all.
* If an eligible employee ceases to work with you, you must notify the Tax Office (in the approved form)
* There are some significant integrity measures for this program. Some of these measures relate to you as the employer, and some of them relate to KDC Accounting as your tax agent. The penalties are criminal in nature and in some circumstances include jail time. For your tax agent, they can mean the loss of their tax agent registration – a compulsory license for us to operate.
* We can help you with this process. In fact, for many of you, we would discourage you managing this for yourself. The rules are complex. Our fee will vary for each business based on a number of factors. The starting price is $1,400 plus GST.
* We will not be able to do all of the work. We will need your input at various times. If we undertake this work for you, we will manage the deadlines, nominations, and notifications on your behalf. We will need you to keep your records up to date to provide actual turnover and projected turnover no later than 4th of each month. You will also need to advise us immediately if any staff cease to be eligible employees.
* Our Initial Instructions – sent out on Thursday 16th April contained a form for you to complete to indicate that you are interested in an engagement estimate from us. We will then provide a price for your specific circumstances. Thank you for understanding that we can not possibly provide a price to everyone on the off chance that they might be eligible. We need to know if you think you are eligible and then we can undertake the work needed to determine your circumstances and a price.
* Some of you have provided responses such as “thank you” or “I don’t think I’m eligible”. We will be following up with you if we need further clarity and to be sure you aren’t missing out.