

Eligible employers

Employers will be eligible for the JobKeeper payment if all of the following apply:

On 1 March 2020, you carried on a business in Australia or were a not-for-profit organisation that pursued your objectives principally in Australia.

You employed at least one eligible employee on 1 March 2020.

Your eligible employees are currently employed by your business for the fortnights you claim for (including those who are stood down or re-hired).

Your business has faced a 30% fall in turnover

Your business is not in one of the ineligible categories.

You should note that the turnover calculation is based on GST turnover, but there are some modifications, including disregarding GST grouping where two or more associated business entities operate as a single GST group.

You will be able to enrol in the JobKeeper scheme from 20 April 2020 using an online form on the ATO website or alternately **Kamran Accounting** can complete this for you. After you enrol, you will need to identify your eligible employees and submit the information.

If you have registered with the ATO for an update on the JobKeeper Payment, you will receive a notification from the ATO when the online enrolment is available.

If you have not yet registered for information updates, see JobKeeper payment updates.

Aggregated turnover

Your aggregated turnover broadly includes your annual turnover, plus the annual turnover of all the entities that are connected or affiliated with you, subject to specific adjustments (for example, for transactions between you and those other entities). These connected entities or affiliates may be based in Australia or overseas.

Ineligible employers

An employer is not eligible for the JobKeeper payment if:

- the entity is a company in liquidation
- the entity is an individual who has entered bankruptcy.

Sole traders & Self Employed

Sole traders can be eligible for the JobKeeper payment if their business has experienced a downturn according to the eligibility criteria.

Business owners actively engaged in their business

Other businesses in the form of a company, trust or partnership can also qualify for JobKeeper payments where a business owner (a shareholder, adult beneficiary or partner) is actively engaged in the business, or a director is actively engaged in the business. This is limited to one entitlement for each entity even if there are multiple business owners or participants. They will provide more

information soon about the eligibility of these businesses for the JobKeeper payment. However, we recommend that the key eligible person be paid \$1500 per fortnight.

How to determine a fall in turnover

You only need to satisfy this requirement once – you don't need to retest turnover each month.

At the time you enrol in the JobKeeper payment scheme, you need to confirm that your business in a relevant period has had, or is likely to have, a:

- 30% fall in turnover
- 15% fall in turnover charities

How to calculate a fall in turnover for the first fortnight starting 30 March 2020

To work out your fall in turnover, you can compare either:

- GST turnover for March 2020 with GST turnover for March 2019
- projected GST turnover for April 2020 with GST turnover for April 2019 (**our preferred method**)
- projected GST turnover for the quarter starting April 2020 with GST turnover for the quarter starting April 2019.

How you choose to project your fall in turnover is not dependent on whether you report a quarterly or monthly BAS, though you can do that if it is easier. The turnover calculation is based on GST turnover, but there are some modifications, including disregarding GST grouping (where two or more associated business entities operate as a single GST group).

If you work out that you qualify for the JobKeeper payments for the first fortnight because your turnover has declined by the relevant amount, you remain eligible and do not need to keep testing turnover in following months. However, you will have ongoing monthly reporting requirements.

The Commissioner of Taxation also has the discretion to set out alternative tests that can establish your eligibility when turnover periods are not appropriately comparable (for example, if your business has been in operation less than a year). The ATO will provide more information soon.

Amount of JobKeeper payment

As an employer, you will receive a payment of \$1,500 per employee per fortnight as long as you and your employees meet the eligibility criteria.

Payments from the ATO for each eligible employee should be RECEIVED from the first week of May.

Example of amounts paid to employers

Payment date Amount per employee

May	\$3,000 (for fortnights starting 30 March and 13 April)
June	\$3,000 (for fortnights starting 27 April and 11 May)
July	\$3,000 (for fortnights starting 25 May and 8 June)
August	\$3,000 (for fortnights starting 22 June and 6 July)

September \$4,500 (for fortnights starting 20 July, 3 August and 17 August)

October \$3,000 (for fortnights starting 31 August and 14 September)

Enrol and apply for the JobKeeper payment

To enrol and apply for the JobKeeper payment, you follow the steps below.

- Enrol for the JobKeeper payment (from 20 April onwards)
- Confirmation of eligible employees you will claim the JobKeeper payment (available from 4 May onwards)

Enrol for the JobKeeper payment (from 20 April onwards).

You or Kamran Accounting can enrol your business for the JobKeeper payment:

Step 1 – Register your interest and subscribe for JobKeeper payment updates at <https://www.ato.gov.au/Job-keeper-payment/>

Step 2 – Check you and your employees meet the eligibility requirements.

Step 3 – Continue to pay at least \$1,500 to each eligible employee per JobKeeper fortnight (the first JobKeeper fortnight is the period from 30 March to 12 April).

Step 4 – Notify your eligible employees that you are intending to claim the JobKeeper payment on their behalf and check they aren't claiming JobKeeper payment through another employer or have nominated through another business.

Step 5 – Send the JobKeeper employee nomination notice to your nominated employees to complete and return to you by the end of April if you plan to claim JobKeeper payment for April. Keep it on file and provide a copy to Kamran Accounting.

Step 6 – From 20 April 2020, you can enrol with the ATO for the JobKeeper payment using the Business Portal and authenticate with MyGovID. You must do this by the end of April to claim, alternately contact us to complete the enrolment for you.

JobKeeper payments for April.

Step 7 – In the online form, provide your bank details and indicate if you are claiming an entitlement based on business participation, for example if you are a sole trader.

Step 8 – Specify the estimated number of employees who will be eligible for the first JobKeeper fortnight (30 March – 12 April) and the second JobKeeper fortnight (13 April – 26 April).

Confirmation of eligible employees you will claim JobKeeper Payment for (available from 4 May 2020 onwards)

You or Kamran Accounting can apply for the JobKeeper payment for your eligible employees:

Step 1 – Apply to claim the JobKeeper payment by logging into the ATO Business Portal External Link

Step 2 – Ensure you have paid each eligible employee a minimum of \$1,500 per JobKeeper fortnight before tax.

Step 3 – Identify your eligible employees in the application form by

- selecting employee details that are prefilled from your STP pay reports if you report payroll information through an STP enabled payroll solution, or
- manually entering employee details in ATO online services or the Business Portal if you do not use an STP enabled payroll solution, or
- Kamran Accounting will submit a report on your behalf through Online services for agents.

• Step 4 – Submit the confirmation of your eligible employees online and wait for the confirmation screen.

Step 5 – Notify your eligible employees you have nominated them.

Step 6 – They will pay you the JobKeeper payment for all eligible employees after receiving your application.

Step 7 – Each month, you will need to reconfirm that your reported eligible employees have not changed through ATO online services, the Business Portal or via your registered tax agent. This will ensure you will continue to receive the JobKeeper payments. You do not need to retest your reported fall in turnover, but you will need to provide some information as to your current and projected turnover. This will be done in your monthly JobKeeper Declaration report.

Step 8 – If your eligible employees change or leave your employment, you will need to notify the ATO through your monthly JobKeeper Declaration report.

If you use the ATO Business Portal, you will need a MyGovID linked to your ABN in relationship Authorisation Manager (RAM). You can find out how to set this up at ato.gov.au/mygovid

Paying your eligible employees

You need to pay your eligible employees at least the minimum amount of \$1,500, if they earn less than this per fortnight you will need to top up the amount you pay them. You cannot pay your employees less than \$1,500 per fortnight and keep the difference. You will not be eligible for the JobKeeper payment if you pay your nominated employee less than \$1,500 per fortnight.

How to pay

You need to pay your eligible employees at least \$1,500 a fortnight in line with your existing pay cycle through your existing payroll solution.

When to pay

You should pay your employees for each JobKeeper fortnight you plan to claim for. The first fortnight is from 30 March – 12 April and each JobKeeper fortnight follows after that.

For the first two fortnights (30 March – 12 April, 13 April – 26 April), the ATO will accept the minimum \$1,500 payment for each fortnight has been paid by you even if it has been paid late, provided it is paid by you by the end of April. This means that you can make two fortnightly payments of at least \$1,500 per fortnight before the end of April, or a combined payment of at least \$3,000 before the end of April.

If you usually pay your employees less frequently than fortnightly, the payment can be allocated between fortnights in a reasonable manner. For example, if you pay your employees on a monthly pay cycle, your employees must have received the monthly equivalent of \$1,500 per fortnight.

If your eligible employees change or leave your employment, you need to notify the ATO.

How much to pay

You must pay the minimum \$1,500 before tax to each eligible employee per fortnight to claim the JobKeeper payment for that fortnight.

If your eligible employees earn less than \$1,500 per fortnight before tax, you must pay them at least \$1,500 for each fortnight to claim the JobKeeper payment. This is a 'top up' of their salary or wages and will ensure they remain eligible.

You cannot pay your employees less than \$1,500 per fortnight and keep the difference. You will not be eligible for the JobKeeper payment if you pay your nominated employee less than \$1,500 before tax per fortnight.

If your eligible employees earn more than \$1,500 per fortnight, you should continue to pay them their regular salary or wages. However, you will only receive \$1,500 for each eligible employee. Any amount you pay above \$1,500 per fortnight is not subsidised by the JobKeeper payment.

If an employee has been stood down after 1 March 2020, you can start paying them \$1,500 per fortnight to qualify for the JobKeeper payment for that employee.

If an employee ceased working for you after 1 March 2020, you can re-engage them and pay them at least \$1,500 per fortnight. You will only be eligible to claim for the fortnights after you re-engaged your employee.

If you usually pay your employees monthly, the payment can be allocated between fortnights in a reasonable manner. For example, if you pay your employees on a four-week pay cycle, your employees must have received at least \$3,000 for every four-week period.

Tax consequences

All JobKeeper payments are assessable income of the business that is eligible to receive the payments. The normal rules for deductibility apply in respect of the amounts your business pays to its employees where those amounts are subsidised by the Jobkeeper payment. Payments to employees are part of the normal employee PAYGW system and therefore subject to withholding tax. We estimate the amount to be withheld at a minimum of \$200 per week for employees receiving only the \$1500. Therefore the employee will be paid \$1300.

The JobKeeper payment is not subject to GST.

Superannuation guarantee

New rules are being introduced by the government with the intention to not require super guarantee to be paid on additional payments ('i.e. 'top up amount') that are made to employees as a result of JobKeeper payments.

Working from home during COVID-19

As the COVID-19 situation develops, The ATO understands you may now be working from home and may incur expenses you can claim at tax time.

The ATO understands tracking these expenses can be challenging. So, they will accept a temporary simplified method (or shortcut method) of calculating additional running expenses from 1 March 2020 until at least 30 June 2020. The ATO may extend this period, depending on when work patterns return to normal.

Claiming a deduction

To claim a deduction for working from home, all of the following must apply:

- You must have spent the money.
- The expense must be directly related to earning your income.
- You must have a record to prove it.

This means you can't claim a deduction for items provided by your employer, or if you have been reimbursed for the expense.

If you are not reimbursed by your employer, but instead receive an allowance from them to cover your expenses when you work from home, you:

- must include this allowance as income in your tax return
- can claim a deduction as outlined on this page.

Expenses you can claim

If you work from home, you will be able to claim a deduction for the additional running expenses you incur. These include:

- electricity expenses associated with heating, cooling and lighting the area in which you are working and running items you are using for work
- cleaning costs for a dedicated work area
- phone and internet expenses
- computer consumables (for example, printer paper and ink) and stationery
- home office equipment, including computers, printers, phones, furniture and furnishings – you can claim either the
 - full cost of items up to \$300
 - decline in value for items over \$300.

Expenses you can't claim

If you are working from home only due to COVID-19, you can't claim:

- occupancy expenses such as mortgage interest, rent and rates
- the cost of coffee, tea, milk and other general household items your employer may otherwise have provided you with at work.

Calculating running expenses

There are three ways you can choose to calculate your additional running expenses:

- shortcut method — claim a rate of 80 cents per work hour for all additional running expenses
- fixed rate method — claim all of these

- a rate of 52 cents per work hour for heating, cooling, lighting, cleaning and the decline in value of office furniture
- the work-related portion of your actual costs of phone and internet expenses, computer consumables, stationery
- the work-related portion of the decline in value of a computer, laptop or similar device.
- actual cost method — claim the actual work-related portion of all your running expenses, which you need to calculate on a reasonable basis.

For more information on how to calculate and claim a deduction under the actual cost method or fixed rate method see Home office expenses.

Shortcut method

You can claim a deduction of 80 cents for each hour you work from home due to COVID-19 as long as you are:

- working from home to fulfil your employment duties and not just carrying out minimal tasks such as occasionally checking emails or taking calls
- incurring additional deductible running expenses as a result of working from home.

You do not have to have a separate or dedicated area of your home set aside for working, such as a private study.

The shortcut method rate covers all deductible running expenses, including:

- electricity for lighting, cooling or heating and running electronic items used for work (for example your computer), and gas heating expenses
- the decline in value and repair of capital items, such as home office furniture and furnishings
- cleaning expenses
- your phone costs, including the decline in value of the handset
- your internet costs
- computer consumables, such as printer ink
- stationery
- the decline in value of a computer, laptop or similar device.

You do not have to incur all of these expenses, but you must have incurred additional expenses in some of those categories as a result of working from home due to COVID-19.

If you use the shortcut method to claim a deduction for your additional running expenses, you cannot claim a further deduction for any of the expenses listed above.

You must keep a record of the number of hours you have worked from home as a result of COVID-19. Examples are timesheets, diary notes or rosters.

If you use the shortcut method to claim a deduction and you lodge your 2019–20 tax return, you must include the note ‘COVID-hourly rate’ in your tax return.

Records you must keep

If you use the shortcut method, you only need to keep a record of the hours you worked at home, for example timesheets or diary notes.

If you use the other methods, you must also keep a record of the number of hours you worked from home along with records of your expenses. For more information on what those records are see Home office expenses.

Other Support for businesses and employers

Boosting cash flow for employers

The Government will provide tax-free cash flow boosts of between \$20,000 and \$100,000 to eligible businesses, delivered through credits in the activity statement system, when eligible businesses lodge their activity statements.

Increasing the instant asset write-off

From 12 March 2020 until 30 June 2020, the instant asset write-off:

- threshold is \$150,000 (up from \$30,000)
- eligibility range covers businesses with an aggregated turnover of less than \$500 million (up from \$50 million).

Businesses with a turnover of \$500 million or more are not eligible to use instant asset write-off.

From 1 July 2020, the instant asset write-off will only be available for small businesses with a turnover of less than \$10 million and the threshold will be \$1,000.

Backing business investment

Businesses with an aggregated turnover of less than \$500 million are able to accelerate their depreciation deductions on the purchase of certain new depreciable assets.

This applies to eligible assets acquired and first used or installed ready for use from 12 March 2020 until 30 June 2021.

Additional support during COVID-19

Lodgement or payment

Super payments

If you are an employer, you need to meet super guarantee obligations for your employees.

By law, the ATO can't vary the contribution due date or waive the super guarantee charge.

Remitting interest and penalties

If you or your business is affected by COVID-19, They will consider remitting interest and penalties incurred after 23 January 2020.

Low interest payment plans

If you or your business has been affected by COVID-19 and you need help to pay your existing and ongoing tax liabilities, contact us to discuss entering a low interest payment plan.

Payment deferrals

If you're having difficulty paying your tax, The ATO encourage you to contact them as early as possible to discuss your situation as they have a range of options to support you through this period.

This could include deferring your income tax to 12 September 2020, stopping interest accruing on your tax liabilities, and low interest payment arrangements.

Vary your PAYG instalments

If you are a pay as you go (PAYG) instalments payer, you can vary your PAYG instalments on your activity statement. You may also be able to claim a refund for any instalments made during the 2019–20 financial year.

Where you choose to vary your PAYG instalments they won't apply penalties or charge interest to varied instalments for the 2019–20 financial year.

If you realise you've made a mistake working out your PAYG instalment, you can correct it by lodging a revised activity statement or varying a subsequent instalment.