

RESTAURANT & CATERING AUSTRALIA

JOBKEEPER PAYMENT FAQs

31 March 2020

Background:

The Commonwealth Government has announced it will provide a historic wage subsidy to around 6 million workers who will receive a flat payment of \$1,500 per fortnight through their employer before tax.

The \$130 billion JobKeeper payment will help keep Australians in jobs and tackle the significant economic impact from the coronavirus. The payment will be open to eligible businesses that receive a significant financial hit caused by the coronavirus. The payment will provide the equivalent of around 70 per cent of the national median wage.

Under the JobKeeper payment, businesses impacted by the coronavirus will be able to access a subsidy from the Government to continue paying their employees. Affected employers will be able to claim a fortnightly payment of \$1,500 per eligible employee from 30 March 2020, for a maximum period of 6 months.

What Businesses are Eligible?

Employers will be eligible for the subsidy if:

- Their business has a turnover of less than \$1 billion and their turnover will be reduced by more than 30 per cent relative to a comparable period a year ago (of at least a month); or
- Their business has a turnover of \$1 billion or more and their turnover will be reduced by more than 50 per cent relative to a comparable period a year ago (of at least a month); and
- The business is not subject to the Major Bank Levy.

The employer must have been in an employment relationship with eligible employees as at 1 March 2020 and confirm that each eligible employee is currently engaged in order to receive JobKeeper Payments.

Not-for-profit entities (including charities) and self-employed individuals (businesses without employees) that meet the turnover tests that apply for businesses are eligible to apply for JobKeeper Payments.

What Employees are Eligible?

Eligible employees are employees who:

- Are currently employed by the eligible employer (including those stood down or re-hired);
- Were employed by the employer at 1 March 2020;
- Are full-time, part-time, or long-term casuals (a casual employed on a regular basis for longer than 12 months as at 1 March 2020);
- Are at least 16 years of age;
- Are an Australian citizen, the holder of a permanent visa, a Protected Special Category Visa Holder, a non-protected Special Category Visa Holder who has been residing continually in Australia for 10 years or more, or a Special Category (Subclass 444) Visa Holder; and are not in receipt of a JobKeeper Payment from another employer.

Please note, **all** full-time employees and part-time employees who commenced employment on or before 1 March 2020 are eligible for the JobKeeper Payment. **Only** casual employees who have been employed on a regular basis for a minimum of 12 months on or before 1 March 2020 are eligible.

If your employees receive the JobKeeper Payment, this may affect their eligibility for payments from Services Australia as they must report their JobKeeper Payment as income.

How do I apply?

[Initially, employers can register their interest in applying for the JobKeeper Payment via this link from 30 March 2020.](#)

Subsequently, eligible employers will be able to apply for the scheme by means of an online application once this is made available by the ATO.

The first payment will be received by employers from the ATO in the first week of May.

Eligible employers will need to identify eligible employees for JobKeeper Payments and must provide monthly updates to the ATO.

Participating employers will be required to ensure eligible employees will receive, at a minimum, \$1,500 per fortnight, before tax.

It will be up to the employer if they want to pay superannuation on any additional wage paid because of the JobKeeper Payment.

What are my Obligations as an Employer?

1. You must register an intention to apply on the ATO website and assess that they have or will experience the required turnover decline and notify all eligible employees that they are receiving the JobKeeper Payment.
2. Then you must provide information to the ATO on eligible employees. This includes information on the number of eligible employees engaged as at 1 March 2020 and those currently employed by the business (including those stood down or rehired). For most businesses, the ATO will use Single Touch Payroll data to pre-populate the employee details for the business.
3. Continue to provide information to the ATO on a monthly basis, including the number of eligible employees employed by the business.

How do I make sure I pay my Employees the correct amount if they earn more, or less, than the JobKeeper Payment per Fortnight?

Where employers participate in the scheme, their employees will receive this payment as follows.

- If an employee ordinarily receives \$1,500 or more in income per fortnight before tax, they will continue to receive their regular income according to their prevailing workplace arrangements. The JobKeeper Payment will assist their employer to continue operating by subsidising all or part of the income of their employee(s).

- If an employee ordinarily receives less than \$1,500 in income per fortnight before tax, their employer must pay their employee, at a minimum, \$1,500 per fortnight, before tax as per their relevant award in order to remain eligible for the JobKeeper payment. R&CA strongly recommends ensuring that where it is possible, work completed in the businesses is commensurate to the \$1,500 per fortnight payment.
- If an employee has been stood down, their employer must pay their employee, at a minimum, \$1,500 per fortnight, before tax.
- If an employee was employed on 1 March 2020, subsequently ceased employment with their employer, and then has been re-engaged by the same eligible employer, the employee must receive, at a minimum, \$1,500 per fortnight, before tax.

Do I have to Pay Super?

It will be up to the employer if they want to pay superannuation on any additional wage paid because of the JobKeeper Payment. Superannuation will be required to be paid on the initial \$1,500 payment.

When will the JobKeeper Payments be made to me?

The subsidy will start on 30 March 2020, with the first payments to be received by employers in the first week of May.

Payments will be made to the employer monthly in arrears by the ATO from May.

Do I just pay my Staff \$1,500 a Fortnight?

No. Your employees continue to earn what they normally would earn as an employee of the business. This payment assists you as a business owner in meeting your wages bill, rather than standing down, making redundant or terminating your employees.

Does the government pay my staff directly?

No. You pay your staff and the Government pays you in arrears from May.

Where do my staff go to sign up?

JobKeeper is not a payment made to employees, but a payment to employers to assist in meeting the cost of employing staff.

Does it apply to 457, 482 or Working Holiday Visa holders?

No. It does not apply to any worker currently under a 457, 482 or Working Holiday Visa.

Does my Business have to be open to get the payment?

Your business has to be trading. These payments can be used to keep employees on your books during a period of full or partial closedown, or you can require your employees to work, train or perform duties as per their contract.

How do changes to the Restaurant Award allow me to get the most out of the JobKeeper Payment?

Recently agreed changes to the restaurant and hospitality award (which will be in effect until at least June 30) allow employers to drop their staff down to 60 per cent of their hours and pay or ask them to work in different roles.

These temporary changes present a unique opportunity to employers to reduce the difference in wage costs between the \$1,500 JobKeeper payment to zero, or as close to zero as possible, whilst still accessing the productivity benefits of that labour.

Do I have to pay my employees as per the award or just give them \$1,500 per fortnight?

You must pay your employees as per the award. The relevant award for your business continues to be in effect, including penalty rates.

Do my employees have to perform their regular duties to be eligible? Or can they just receive the payment regardless?

No, but R&CA strongly recommends you do as much as you can to utilise the employees time including training, skilling or other duties they are able to perform within the business.

Do I have to bring staff back onto my payroll for them to be eligible?

Yes. However, employees can remain on a stand down arrangement and continue to receive the JobKeeper payment.

I am a sole trader, does JobKeeper apply to me?

Businesses without employees, such as the self-employed, can register their interest in applying for JobKeeper Payment via ato.gov.au from 30 March 2020.

Businesses without employees will need to provide an ABN for their business, nominate an individual to receive the payment and provide that individual's Tax File Number and provide a declaration as to recent business activity.

People who are self-employed will need to provide a monthly update to the ATO to declare their continued eligibility for the payments. Payment will be made monthly to the individual's bank account.