

## SMSF RENT

If your superannuation fund owns your premises and you are renting from the superannuation fund, you have the ability to cease making those payments at this time. Please contact our office to discuss.

## JOBKEEPER SUBSIDY TO KEEP STAFF EMPLOYED

A subsidy of \$1,500 per fortnight per employee, administered by the Australian Taxation Office (ATO), will be paid to businesses that have experienced a downturn of more than 30%, or of more than 50% for businesses with a turnover of over \$1bn.

Dates	<ul style="list-style-type: none"><li>From 30 March 2020 for six months.</li><li>For employees employed at and from 1 March 2020.</li><li>First payments in <b>first week of May 2020</b>.</li></ul>
Applies to	Based on comparable periods: <ul style="list-style-type: none"><li>Employers &lt;\$1bn that have experienced a downturn of more than 30%.</li><li>Employers &gt;\$1bn that have experienced a downturn of more than 50%.</li></ul>

To be a part of the subsidy, employers will need to ensure that their employees receive at least \$1,500 per fortnight (before tax). See the example below.

### Eligibility

There are two levels of eligibility: for employers and employees.

**Eligible employers** are those with:

- Turnover below \$1bn that have experienced a **reduction in turnover of more than 30%** relative to a comparable period 12 months ago (of at least a month); or
- Turnover of \$1bn or more that have experienced a reduction in turnover of more than 50% relative to a comparable period 12 months ago (of at least a month); and
- Are not subject to the Major Bank Levy.

**Sole traders** and the self-employed with an ABN, and not-for-profits (including charities) that meet the turnover tests are eligible for the JobKeeper payment.

**Eligible employees** are those who:

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

While it appears that businesses without employees can potentially qualify for JobKeeper payments, it is not clear at this stage what conditions will need to be satisfied.

### How the Support is Calculated

The ATO will administer this program and will make the \$1,500 payments based on payroll information. The payments will be made monthly in arrears so it is essential that you ensure your



business and your employees continually meet the eligibility criteria.

The business will continue to receive the payments for eligible employees while they are eligible for the payments. While the program is expected to run for six months, payments will stop if the employee is no longer employed by the relevant employer.

### How the Support is Provided

To access the JobKeeper subsidy, you can talk to us to assist you with the registration process and calculations.

If you want to manage the process yourself, you must:

- Register:
  - Applications are not yet open. However, you should **register your intent** to apply for the JobKeeper subsidy with the ATO ([here](#)). The ATO will provide you with regular updates and advise you when you can lodge your application.
- Assess turnover:
  - Ensure you have an accurate record of your revenue for the 2018/19 income year and for the 2019/20 year to date.
  - Ensure you keep an accurate record of revenue from March 2020 onwards.
  - Compare your revenue for the whole of March 2019 with the whole of March 2020.
  - Measure the % decline in your revenue and ensure it has declined by more than 30%.
  - If you are not eligible in March 2020, you may become eligible in another month.
- Identify eligible employees:
  - Nominate the employees eligible for the JobKeeper payments – you will need to provide this information to the ATO and keep that information up-to-date each month. The ATO will use Single Touch Payroll to pre-populate the information in most cases.
  - Notify all eligible employees that they are receiving a JobKeeper payment. Employees can only be registered with one employer.
  - Pay eligible employees at least \$1,500 per fortnight (before tax). If an employee normally receives \$1,500 or more per fortnight before tax the employee should continue to receive their regular income. NB: it is unclear at this stage if the employer must continue to pay their employee the same salary if it was more than the subsidy amount.
  - Pay superannuation guarantee (SG) on normal salary and wages amounts paid to employees. If the employee normally receives less than \$1,500 per fortnight before tax, the employer can decide whether to pay

superannuation on the additional amount that is paid as a result of the JobKeeper program.

Sole traders and the self-employed can register their interest in applying for the JobKeeper payment with the ATO. These businesses will need to provide an ABN for the business, nominate an individual to receive the payment, provide the individual's TFN and declare their continued eligibility for the payments. Payments will be monthly to the individual's bank account.

### Example

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% in the coming months. The employees are:

Employee	Employment Type	Salary per Fortnight (Before Tax)
Mary	Full-time	\$3,000
Colin	Part-time	\$1,000

Both Mary and Colin are still working in the business.

Adam registers his interest in the JobKeeper scheme (from 30 March 2020), then applies to the ATO providing details of his eligible employees. Adam also advises Mary and Colin 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.

Adam's business is eligible to receive the JobKeeper payment for each employee.

For Mary, the business will:

- Continue to pay Mary her full-time salary of \$3,000 per fortnight before tax;
- Receive \$1,500 per fortnight from the JobKeeper payment; and
- Pay SG on Mary's salary.

For Colin, the business will:

- Continue to pay Colin's \$1,000 per fortnight before tax salary;
- Pay Colin an additional \$500 per fortnight before tax (totalling \$1,500);
- Receive \$1,500 per fortnight from the JobKeeper payment; and
- Pay SG on Colin's wage of \$1,000 per fortnight (but can choose to pay SG on the full \$1,500).

Adapted from Treasury fact sheet: *JobKeeper payment – information for employers.*

#### Head Office

Suite 12 Level 3,  
Gateway Building  
1 Mona Vale Road  
Mona Vale NSW 2103

#### Sydney Office

Suite 802 Level 8  
23 O'Connell Street  
Sydney NSW 2000

T 02 8973 2222

admin@waterhouseca.com.au

www.waterhouseca.com.au

ABN 60 535 258 608

Liability limited by a scheme approved under Professional Standards Legislation



Chartered Accountants