

CLIENT UPDATE

28 APRIL 2020

JobKeeper Scheme

Extensions & Alternative Tests

On 24 April 2020 the ATO announced a number of additional tests to determine an employer's eligibility for the JobKeeper Scheme, along with extended deadlines for the initial JobKeeper periods.

Alternative Tests

The new 'alternative tests' apply for classes of entities where there is not an appropriate relevant comparison period for determining a decline in GST turnover.

If an entity satisfies the original basic test it does not need to apply an alternative test.

An alternative test may apply when:

- the entity commenced business after the relevant comparison period (the business did not exist in that period);
- the entity acquired or disposed of part of the business after the relevant comparison period;
- the entity undertook a restructure after the relevant comparison period;
- the entity's turnover substantially increased by:
 - 50% or more in the 12 months immediately before the applicable turnover test period; or
 - 25% or more in the 6 months immediately before the applicable turnover test period, or
 - 12.5% or more in the 3 months immediately before the applicable turnover test period;
- the entity was affected by drought or other declared natural disaster during the relevant comparison period;

- the entity has a large irregular variance in their turnover for the quarters ending in the 12 months before the applicable turnover test period, excluding entities that have cyclical or regular seasonal variance in their turnover; or
- the entity is a sole trader or small partnership where sickness, injury or leave have impacted an individual's ability to work which has affected turnover.

The relevant alternative tests for each scenario above are outlined in the Legislative Instrument and Explanatory Statement

Read these on our website:

[Legislative Instrument](#)

[Explanatory Statement](#)

Deadline Extensions

The ATO has also announced extended deadlines for the initial JobKeeper periods.

The Commissioner has extended the time to enrol for the initial JobKeeper periods, from 30 April 2020 until 31 May 2020.

If you enrol by 31 May you will still be able to claim for the fortnights in April and May, provided you meet all the eligibility requirements for each of those fortnights. This includes having paid your employees by the appropriate date for each fortnight.

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 8 May 2020.

The ATO is also in the process of clarifying the operation of additional JobKeeper rules and some further releases are expected soon relating to other circumstances, such as where employees are employed through a special purpose (labour/employee) entity, rather than an operating entity.

We're ready to help. Please contact our team for further assistance +61 3 9820 6400.

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