

BUSINESS UPDATE

August 2020

DO YOU HAVE MORE EMPLOYEES ON JOBKEEPER FROM 3 AUGUST 2020?

YOUR MUST DO BEFORE 31 AUGUST

On 21 July 2020, the Government announced that the JobKeeper Payment would be extended until 28 March 2021 to provide further support for COVID-19 affected businesses and households, **with tightened eligibility rules and lowered payment rates, from 28 September 2020.**

As part of this announcement, the Government made changes to the pre-existing JobKeeper regime, effective from 3 August 2020. This was legislated on 14 August 2020 in Coronavirus Economic Response Package (Payments and Benefits) Amendment Rules (No. 7) 2020.

Changes to who is an eligible employee from 3 August 2020

Previously, one of the conditions for an eligible employee is that they must have been employed on 1 March 2020 to be eligible for JobKeeper payments.

For the JobKeeper fortnight commencing 3 August 2020, this is now 1 July 2020.

Existing eligible employees who qualified for JobKeeper previously because they were employed at 1 March 2020 are considered "1 March 2020 employees" and continue to be eligible for JobKeeper, and do not need to retest their eligibility.

Previously, once an employee nominated an employer, they cannot nominate another even if the employee ceases employment with that employer. An exception to this is now provided for employees who join a new employer by 1 July 2020, to re-nominate a new employer.

To do this, the employee must have ceased employment (or business participant) with the old entity before 1 July 2020, and commenced employment with the new employer by 1 July 2020.

So assuming all other eligibility criteria are met, for JobKeeper fortnights commencing on or after 3 August 2020, the JobKeeper scheme can apply to:

- » Existing employees who were eligible prior to 3 August 2020 and continued to be employed without any termination of employment, and not excluded from being eligible employees;
- » New employees employed from 1 July 2020, even if they nominated a former employer for JobKeeper as long as they cease employment with that employer by 1 July 2020 and nominate their new employer;
- » Existing employees not previously eligible due to the requirement to be employed at 1 March 2020, are now eligible if they were employed at 1 July 2020;

- » Employees that qualified for JobKeeper due to being employed at 1 March 2020, were terminated, and re-employed by the same employer. This only applies if no other entity qualified for JobKeeper payments in respect of that employee for any JobKeeper fortnight.

For any employee that becomes an eligible employee as a result, the employer must provide notice to the new eligible employee within 7 days of the commencement of the legislation (that is, by 22 August 2020) that they might be eligible for JobKeeper and ask the employee to provide them with a completed [JobKeeper Employee Nomination Notice \(1 July employees only\)](#).

This change from 3 August 2020 does not impact any entitlements payable under the existing JobKeeper for fortnights ending on or prior to 2 August 2020.

What you need to do as soon as possible

1. Identify additional employees eligible for JobKeeper and provide notice to employees by 21 August 2020.

You should review employees that are employed by you on 1 July 2020 and consider if they may be eligible for JobKeeper (if not previously eligible where they were not employed at 1 March 2020).

Barring any extension yet to be announced by the ATO/Treasury, you will need to provide notice to these employees of their potential eligibility by 22 August 2020 (effectively, 21 August as 22 August is a Saturday) to avoid breaching the one in, all in principal under the Fair Work Act and the pre-existing JobKeeper legislation.

These employees might be:

- » Those not employed at 1 March 2020 but employed at 1 July 2020;
- » Those terminated and re-engaged;
- » Casuals who became "long term casuals" by 1 July 2020;
- » Those who turn 18 years old as of 1 July 2020.

You would need to ask these employees to complete [JobKeeper Employee Nomination Notice \(1 July employees only\)](#) and return this form to you as soon as possible to determine their eligibility, from 3 August 2020.

2. Notify the Commissioner, normally through your Single Touch Payroll system, of the additional employees that are eligible.

3. Make top-up payments by 31 August 2020 to new eligible employees if currently paying less than \$1,500 per fortnight.

Let's stay connected. We can't be in the office but we continue to be here for you. Our team are working safely and securely in their virtual office locations. Please email your service team member or call us on **+61 3 9820 6400** for assistance and advice with regards to JobKeeper and other ways to manage your business through this challenging period.

Hall Chadwick Melbourne

Level 14 440 Collins Street Melbourne

hcm@hallchadwickmelb.com.au