

The Government **announced** on 21 July 2020 that a modified JobKeeper program will continue for another six months beyond the original end date of 27 September 2020 until 28 March 2021.

The redesigned JobKeeper program includes the following two main changes:

- A two-tiered payment system
- New decline in turnover test

Reduced rates

The Government will introduce a two-tiered system which will allocate different rates to employees based on working hours:

- Employees who worked for **20 hours or more** in a four-week period prior to 1 March 2020 will be entitled to the **full rate**.
- Employees who worked for **less than 20 hours** in the four-week period will only be entitled to a **partial rate**.

The gradual reduction of the rate will be reduced from \$1,500 in two stages.

- From 28 September 2020 to 3 January 2021, the full fortnightly rate will be \$1,200 and the partial rate will be \$750.
- From 4 January 2021 to 28 March 2021, the full fortnightly rate will be \$1,000 and the partial rate will be \$650.

The revised JobKeeper program will also apply to eligible business participants with rates to be determined based on the hours actively engaged in the business.

New Decline in turnover test

Unlike the current JobKeeper rules which require businesses to satisfy the decline in turnover test only once for a single month or quarter, the new rules will require businesses to continue to meet a modified decline in turnover test from September 2020 to March 2021.

Under the new rules, to be eligible for JobKeeper:

- From 28 September 2020 to 3 January 2021, businesses will need to demonstrate that their actual GST turnover has declined by the required percentage in both the June and September 2020 quarters, relative to the corresponding quarters in 2019.
- From 4 January 2020 to 28 March 2021, businesses will need to demonstrate that their actual GST turnover has declined by the required percentage in each of the June, September, and December 2020 quarters, relative to the corresponding quarters in 2019.
- We expect that the ATO will provide detail around alternative tests for businesses who cannot meet the revised decline in turnover test due to varying circumstances.
- JobKeeper remains open to new recipients provided they meet the existing eligibility requirements and the additional turnover tests.

The information in this bulletin is general in nature and should not be considered to be advice. Clients should not act solely on the basis of material contained in this bulletin and we recommend formal advice be sought in relation to the issues contained in this document and their application to you and your individual circumstances.

Further updates will be provided as legislation is passed and payroll providers update their software to meet the new JobKeeper program.

Lombardi Partners are committed to assisting you through these difficult times and can assist you with developing a budget, creating a cashflow forecast or helping you create a plan for the year ahead.

If you need assistance, please get in touch with your Lombardi Partners contact on (03) 9328 5300.



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