

Australia's JobKeeper wage subsidy requires urgent action by 30 April 2020

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The Australian Government's AU\$130 billion¹ JobKeeper Payment wage subsidy provides eligible employers with a \$1,500 payment every two weeks (up to \$19,500 over the full subsidy period) per eligible employee. The subsidy can be substantial for eligible employers, e.g., \$1 million for 52 eligible employees.

Eligible employers include Australian businesses with an aggregated annual turnover (broadly global consolidated revenue) of either:

- ▶ Less than \$1 billion where the Australian employing entity's Australian Goods and Services Tax (GST) turnover (as modified) has fallen by 30% relative to the comparable period 12 months earlier.
- ▶ \$1 billion or more where the Australian employing entity's Australian GST turnover (as modified) has fallen by 50% relative to the comparable period 12 months earlier.

The wage subsidy is legislated to apply for six months and is available for the period from 30 March 2020 to 27 September 2020.

Importantly, **the deadlines below must be met by 30 April 2020** for an eligible employer to qualify for the first two fortnightly payments (i.e., the two fortnights ended 12 April 2020 and 26 April 2020) equivalent to \$3000 per eligible employee:

- ▶ Eligible employers must enroll for the JobKeeper Payment wage subsidy.

- ▶ Eligible employers must ensure they have paid all eligible employees for the two fortnights ended 12 April 2020 and 26 April 2020.
- ▶ Eligible employers must obtain signed JobKeeper Payment nomination notices from eligible employees (for record keeping purposes only).

EY Australia has tools for assessing whether an employer is eligible for the subsidy, identifying eligible employees and facilitating the required employee notifications which can be complex for large employers.

Endnote

1. Currency references in this Alert are to the AU\$.

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EYG no. 002392-20Gbl

1508-1600216 NY
ED None

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