

## Australia announces changes to broaden JKP eligibility criteria

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Australia's Treasurer Josh Frydenberg announced three significant changes to the criteria for the Jobkeeper payments wage subsidy (JKP) on 7 August 2020. These changes include:

- ▶ A softening of the decline in turnover eligibility tests for JKP 2.0, due to commence 28 September 2020, to test only one quarter instead of multiple quarters as originally proposed.
- ▶ From 3 August 2020, the date for testing eligible employment will move from 1 March to 1 July 2020 for the JKP 2.0 extension and also to expand access to the existing JKP scheme.
- ▶ The average 20 hours or more per week work test for receiving the higher JKP 2.0 payment rates will now be based on the four weeks of pay periods before either 1 March 2020 or 1 July 2020.

The JKP 2.0 decline in turnover test criteria is revised to:

- ▶ For Jobkeeper fortnights from 28 September 2020 and ending 3 January 2021: Assess eligibility with reference to actual Goods and Services Tax (GST) turnover in the September 2020 quarter (rather than for both June and September 2020 quarters).
- ▶ For Jobkeeper fortnights from 4 January 2021 and ending 28 March 2021: Assess eligibility with reference to actual GST turnover in the December 2020 quarter (rather than for the June, September and December 2020 quarters).

The proposed JKP 2.0 rates remain the same as announced on 21 July and further details of the changes are available in EY Global Tax Alert, [Australia jobkeeper 2.0 - wage subsidy extended with modified entitlements and eligibility tests](#), dated 23 July 2020.

While the change to test employees at 1 July 2020 is intended to allow businesses currently claiming JKP (and those that may now qualify for JKP) to increase their access to JKP, there is no detail available and it is not clear how this impacts current JKP eligible employees. We are seeking clarity from Treasury to confirm or otherwise clarify that:

- ▶ This change would not adversely affect any employees who have been treated as eligible as at 1 March 2020, i.e., it is not the intention to require re-testing, new nomination forms, etc. based on 1 July 2020:
  - For the current JKP
  - For the JKP 2.0 extension payments
- ▶ This change is solely relevant where it would enable eligibility of an employee based on meeting the relevant conditions at 1 July 2020, where this may not otherwise

be the case. Examples may include casual employees who have 12 months regular and systematic employment between 1 July 2019 and 1 July 2020, permanent employees employed between 1 March and 1 July 2020, individuals turning 18 years of age or becoming an Australian resident between 1 March and 1 July 2020.

- ▶ It may now be possible to receive Jobkeeper in respect of more than one employer, but not at the same time. For example, an individual who worked for two different qualifying businesses as a permanent employee at 1 March and 1 July.

For entities already claiming JKP, urgent action may be required to complete all necessary tasks for any employees who might newly qualify for the current JKP using the 1 July 2020 date in order to receive payments for the first applicable Jobkeeper fortnight ending on 16 August 2020 (effectively this coming 14 August). Consideration should be given to identifying affected employees which should facilitate acting promptly as soon as further detail is available.

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For additional information with respect to this Alert, please contact the following:

**Ernst & Young (Australia), Sydney**

- ▶ Alf Capito, *Oceania Tax Policy Leader*      [alf.capito@au.ey.com](mailto:alf.capito@au.ey.com)
- ▶ Geoff Blaikie, *Oceania Tax Leader*      [geoff.blaikie@nz.ey.com](mailto:geoff.blaikie@nz.ey.com)

**Ernst & Young LLP (United States), Australian Tax Desk, New York**

- ▶ David Burns      [david.burns1@ey.com](mailto:david.burns1@ey.com)

**Ernst & Young LLP (United Kingdom), Australian Tax Desk, London**

- ▶ Naomi Ross      [naomi.ross@uk.ey.com](mailto:naomi.ross@uk.ey.com)

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