

With the COVID-19 pandemic continuing to negatively impact Australians, the Federal Government announced on 21 July 2020 that they would be extending the JobKeeper scheme. This article will outline the eligibility criteria and payment rates for the JobKeeper 2.0 Extension.



## **A. INTRODUCTION**

The initial JobKeeper scheme (put in place after strict restrictions were implemented) is set to end on Sunday 27 September 2020. In light of COVID-19 cases continuing to rise, the Australian Government has decided that a further economic response is needed to support businesses and not-for-profit organisations. Accordingly, the JobKeeper 2.0 Extension will take effect from Monday 28 September 2020 and will last for six months until Sunday 28 March 2021.

## **B. ELIGIBILITY CRITERIA FOR THE JOBKEEPER 2.0 EXTENSION**

### **B.1. ELIGIBILITY CRITERIA FOR EMPLOYEES**

The requirements for employees to be eligible for the JobKeeper 2.0 Extension remains primarily the same as the original JobKeeper scheme. This means employees will be deemed eligible if they meet the following criteria:

- Currently employed by an eligible employer (including if the employee was stood down or rehired);
- As at 1 July 2020 either a full-time or part-time employee, or a long-term casual employee (who has been employed regularly for more than 12 months);
- As at 1 July 2020 aged 18 years or older (employees who are 16 or 17 qualify if they are independent or not undertaking full-time study);
- As at 1 July 2020 an Australian Citizen, Australian Permanent Citizen or holder of a Special Category (Subclass 444) Visa (for New Zealand citizens); and
- As at 1 July 2020 a resident for Australian tax purposes.

Like the initial JobKeeper scheme, eligible employees can only claim JobKeeper payments through **one** eligible employer only.

### **B.2. ELIGIBILITY CRITERIA FOR EMPLOYERS**

The eligibility criteria for employers to be able to claim the JobKeeper 2.0 Extensions includes the existing requirements along with two additional turnover tests.

The existing rules for employers to be eligible for JobKeeper involves businesses and not-for-profit organisations demonstrating that they have experienced one of the following declines in turnover:

- 50% decline in turnover for organisations with an aggregated turnover of more than \$1 billion;
- 30% decline in turnover for organisations with an aggregated turnover of \$1 billion or less; or
- 15% decline in turnover for Australian charities and not-for-profit organisations.

In addition to these rules, organisations will also need to demonstrate and meet the decline in turnover test for the two extension periods.



This means that organisations will only be eligible for the first JobKeeper 2.0 Extension period (starting on 28 September 2020 and ending on 3 January 2021) if they can demonstrate a decline in their actual GST turnover. The decline in the September 2020 quarter (July, August, September) will be compared to the corresponding September 2019 quarter.

Similarly, to be eligible for the second JobKeeper 2.0 Extension period (starting on 4 January 2021 and ending on 28 March 2021), organisations will need to once again demonstrate a decline in their actual GST turnover. The decline in the December 2020 quarter (October, November, December) will be compared to the corresponding December 2019 quarter.

While the turnover tests are to be compared to the corresponding 2019 periods, alternative eligibility tests may be set by the Commissioner of Taxation in circumstances where it would be difficult to determine and compare actual turnover in the corresponding periods.

### **C. PAYMENT RATE**

The JobKeeper 2.0 Extension has a lower payment rate compared to the original Jobkeeper Scheme. Additionally, employees who work fewer hours will receive a lower payment amount than those who work more hours.

#### **C.1. FIRST JOBKEEPER 2.0 EXTENSION PERIOD (SEPTEMBER–JANUARY)**

For the first JobKeeper 2.0 Extension period beginning on 28 September 2020 and ending on 3 January 2021, eligible employees will receive payments at the following rates:

- \$1,200.00 per fortnight for all eligible employees who in the four weeks prior to either 1 March 2020 (ie 2 February 2020) or 1 July 2020 (ie 3 June 2020) were working 20 hours or more on average; and
- \$750.00 per fortnight for all eligible employees who in the four weeks prior to either 1 March 2020 (ie 2 February 2020) or 1 July 2020 (ie 3 June 2020) were working less than 20 hours on average.

#### **C.2. SECOND JOBKEEPER 2.0 EXTENSION PERIOD (JANUARY–MARCH)**

For the second JobKeeper 2.0 Extension period beginning on 4 January 2021 and ending on 28 March 2021, eligible employees will receive payments at the following rates:

- \$1,000.00 per fortnight for all eligible employees who in the four weeks prior to either 1 March 2020 (ie 2 February 2020) or 1 July 2020 (ie 3 June 2020) were working 20 hours or more on average; and
- \$650.00 per fortnight for all eligible employees who in the four weeks prior to either 1 March 2020 (ie 2 February 2020) or 1 July 2020 (ie 3 June 2020) were working less than 20 hours on average.

### **D. FAIR WORK ACT**

The Federal Government also made this order:

*If the revenue of the organisation on the original JobKeeper scheme is still down by at least 10 per cent in the September quarter compared with the same quarter last year, they will be eligible for exemptions from the Fair Work Act that will give them flexibility in managing their workforce for another six months.*

*This flexibility includes reducing hours worked if they cannot afford to pay workers in full, and altering their duties.*

*Under the provisions, an employer can reduce a worker's hours but by no less than 60 per cent of the hours they worked before the pandemic struck.*

### **E. CONCLUSION**

Comasters is able to help and provide legal advice to clients in regard to queries about JobKeeper and issues relating to employment law.

Further information on JobKeeper can be found on the [Australian Treasury](#) and [Australian Taxation Office](#) websites.

You may also wish to read the following related articles:

1. [JobKeeper Scheme - What, How and When?](#): Summarises the currently implemented JobKeeper scheme
2. [Employment Law - Termination of Employment](#): The requirements for lawful termination of employment.
3. [Employment Law and the Fair Work Act 2009](#): Discusses the impact and implications of the Australian Federal legislation *Fair Work Act 2009* for both employers and employees.

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