



**Chan & Naylor**  
Our People. Your Advantage.



## **Mr. Peter J. Locandro (CPA)**

Managing Partner - Chan & Naylor Melbourne

## **Topic – “JobKeeper Version 2.0”**

Date – Thursday 1<sup>st</sup> October 2020 @ 12.30pm



**Chan & Naylor**  
Our People. Your Advantage.

— **Welcome**

## □ Chan & Naylor Melbourne – 3 office locations in Victoria

*Moonee Ponds*      *Level 1, Suite 2, 38 Margaret Street*

*Wheelers Hill*      *Level 2, Suite 10, 622 Ferntree Gully Road*

*Melbourne*      *Level 5, 84 William Street (by appointment only)*

## □ Services

- ✓ Taxation & Accountancy
- ✓ Financial Planning & Wealth Creation
- ✓ SMSF Services
- ✓ Insurances
- ✓ Loan Broking
- ✓ Bookkeeping
- ✓ Xero & Cloud Accountancy Training...





## □ Discussion Points!

- ✓ JobKeeper Version 1.0,
- ✓ JobKeeper Version 2.0,
- ✓ Extending the period of operation,
- ✓ What are the **NEW** JobKeeper amounts,
- ✓ What are the **NEW** JobKeeper Turnover Test Requirements,
- ✓ What are the **NEW** JobKeeper dates,
- ✓ How do you keep the banks honest, and
- ✓ What to do Next!





## □ JobKeeper Version 1.0

- ✓ Commenced in March 2020,
- ✓ Federal Government – estimated a cost of \$130 billion,
- ✓ 6-month period – ceased on the 27<sup>th</sup> September,
- ✓ \$1,500 per fortnight, per employee – flat fee regardless of hours worked,
- ✓ Eligibility - 30% reduction in projected revenue, monthly basis when compared to a previous comparable period, and
- ✓ Basis & alternative tests also.



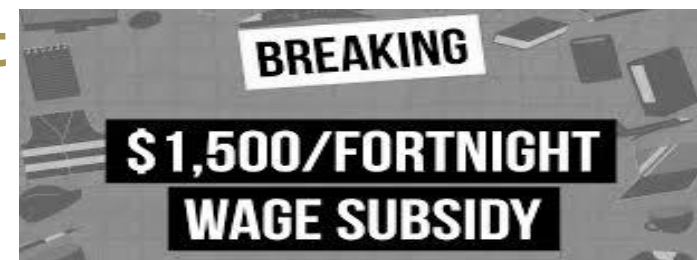


## ❑ JobKeeper Version 1.0 ... continue

- ✓ Once you were in, only requirement was that a monthly declaration was required to be continually lodged (*14 days @ month end*), and
- ✓ Few teething issues at the beginning, but generally, payments were received within 4-5 days of monthly declaration lodgement.

❑ Objective – to support businesses, and

❑ Objective - keep employees of the Centre Link queue & get businesses to continue to support & pay employees





## □ Postcode Applications

Postcodes	Numbers (April & May 2020)	Suburbs & Towns
3000	13,800	Melbourne City
3023	4,035	Caroline Springs, Deer Park & Burnside
3029	7,672	Hoppers Crossing, Tarneit & Truganina
3030	6,847	Point Cook & Werribee
3064	6,023	Craigieburn, Donnybrook, Kalkallo & Mickleham
3150	4,764	Glen Waverley, Brandon Park & Wheelers Hill
3039	1,559	Moonee Ponds

## □ What Hasn't Changed!

- ✓ Already Enrolled – no need to do again,
- ✓ Declarations – employees & business participants,
- ✓ Payments will continue in arrears,
- ✓ No change in Thresholds – 30% reduction (*other categories also*),





## □ What Hasn't Changed ... continue

- ✓ Monthly Declarations – will still need to be attended to & lodged with the ATO  
*(no lodgement, no money),*
- ✓ JobKeeper receipts to be paid fully to employees,
- ✓ Basic tests & alternative tests still available, and
- ✓ No GST on receipts – will be income for tax purposes.







## □ Major Changes!

- ✓ Eligibility – projected vs actual turnover,
- ✓ Payments – 2 tier approach,
- ✓ Time period – 6 months vs 3\*2 periods, and
- ✓ Need to be eligible for both periods separately.





## ☐ **ATO Reviews/Audits!**

- ✓ Like anything, the Government is looking closely,
- ✓ 15,000++ wrongful claims by businesses, and
- ✓ These questions/reviews/audits will continue and will increase.

➤ **Be Careful, They are Watching!**





## □ JobKeeper Version 2.0 - details

- ✓ Announced by Federal Government – 21<sup>st</sup> July 2020,
- ✓ Further adjustments made – 7<sup>th</sup> August 2020 (*Victoria lockdown*),
- ✓ Extended until 28<sup>th</sup> March 2021 (*further 6 months*)
- ✓ Extension Period # 1 – 28<sup>th</sup> September 2020 until 3<sup>rd</sup> January 2021  
(*3 months or 7 new fortnights*)
- ✓ Extension Period # 2 – 4<sup>th</sup> January 2021 until 28<sup>th</sup> March 2021 (*3 months or 6 new fortnights*)

**JOBKEEPER  
EXTENDED**  
TO 28 MARCH 2021



## □ Details... continue

- ✓ Turnover tests - less than \$1 billion, **30%** reduction in turnover,
- ✓ Turnover tests – more than \$1 billion, **50%** reduction in turnover,
- ✓ Turnover tests – **15%** reduction for registered charities,
- ✓ Employee (full time) – was 1<sup>st</sup> March 2020, now updated 1<sup>st</sup> July 2020, and
- ✓ Employee – nomination from one employer at a time only.



**Details... continue**

Two-Tiered Approach:

- ✓ *Higher Rate* – if an employee’s total hours were 80 hours or more for the employer over an applicable 28-day reference period, then the employer is entitled to the higher rate in respect of that employee,
- ✓ *Lower Rate* - if the total hours of work and equivalent paid leave are less than 80 hours over the applicable 28-day reference period, then the lower rate applies, and
- ✓ Employers responsibility to determine hours based upon pay records, etc.





## Details... continue

Two standard reference periods for eligible employees:

- ✓ 1<sup>st</sup> March 2020 – the original reference period; or
- ✓ 1<sup>st</sup> July 2020 – additional reference period (new employees only),
- ✓ Employers can't pick or choose the reference period, and
- ✓ Eligible Business participants – as per above tests.

### JobKeeper 2.0



Currently  
**\$1500**  
PER FORTNIGHT  
for all eligible employees  
till 27 September 2020

WORKED  
20 HOURS +

OTHERS

**\$1200**

PER FORTNIGHT  
from  
28 September 2020

**\$750**

PER FORTNIGHT  
from  
28 September 2020

**\$1000**

PER FORTNIGHT  
from  
4 January 2021

**\$650**

PER FORTNIGHT  
from  
4 January 2021



28 March 2021



## □ Details... continue

- ✓ Turnover test – must use the accounting basis used for GST reporting purposes, for example cash or accrual,
- ✓ Turnover tests – no modification to actual GST turnover allowed for income from sale of capital assets, bad debts or discounts, and
- ✓ Tests for the extension period applied on a quarterly basis,



Details... continue

## Basic Test

Period	Dates	Actual Period	Comparison Period
Extension Period # 1	28.09.2020 to 03.01.2021	September 2020 Quarter	September 2019 Quarter
Extension Period # 2	04.01.2021 to 28.03.2021	December 2020 Quarter	December 2019 Quarter





**Details... continue**

**Alternative Tests**

- 1) New business,
- 2) Business with a substantial increase in turnover,
- 3) Business with an irregular turnover,
- 4) Business affected by drought or natural disaster,
- 5) Business acquisition or disposal that changed the entity's turnover,
- 6) Business restructure that changed the entity's turnover, and
- 7) Sole traders or small partnerships with sickness, injury or leave.



## ☐ Details... continue

### Decline in Turnover Tests:

- ✓ Entities that are registered for GST – they must use the same method that is used for GST reporting purposes. For example, if the entity is registered for GST on a cash basis, then a cash basis needs to be used to calculate current GST turnover for the purpose of these new tests.
- ✓ *Note – current GST turnover is based on actual sales that have been made rather than an estimate/prediction of sales as per JobKeeper Version # 1.*
- ✓ *Note - current GST turnover also includes proceeds from the sale of capital assets. Current GST turnover includes taxable and GST-free supplies but should exclude input taxed supplies such as residential rental income, dividends, interest. JobKeeper and ATO cash flow boost payments should also be excluded.*



## □ Details... continue

### Decline in Turnover Tests:

- ✓ Entities that are not registered for GST – the entity may choose whether to calculate GST Turnover using a cash or accrual basis but must use a consistent method.



**Chan & Naylor**  
Our People. Your Advantage.

## — JobKeeper Version 2.0

Details... continue

### JobKeeper Tip:

- ✓ BAS – 30<sup>th</sup> September 2020 to be completed ASAP, and
- ✓ BAS – 31<sup>st</sup> December 2020 to be completed ASAP.






## □ Details... continue

- ✓ Entities already registered – this is a sample of what they ATO will provide – generally, after we lodge the monthly declaration for the final payment,
- ✓ Monthly declaration should be lodged no later than 14<sup>th</sup> October 2020, and
- ✓ We can then proceed to attend to new eligibility tests.

9/26/2020 Print | Australian Taxation Office



Australian Government  
Australian Taxation Office

Agent FSCN PTY LTD  
Client  
ABN

---

## COVID-19

---

### JobKeeper

---

Step 1 | Enrol business for JobKeeper wage subsidies  
Enrol an eligible business that has been significantly affected

**ATO receipt ID** Enrolled ✓

Step 2 | Identify and maintain employees eligible for JobKeeper wage subsidies

- > Employers and eligible employees must complete a JobKeeper employee nomination notice
- > If adding a business participant, employers and eligible business participants must complete a eligible business participant nomination notice

Identified ✓

Step 3 | Business monthly declaration for JobKeeper payment  
Confirm eligible employees, business participant and GST turnover each month

---

### JobKeeper extension

---

Check decline in turnover  
Demonstrate that your business is eligible for JobKeeper extension

**September quarter:** Jul - Sep 2020  
*Available from 1 October 2020*

**December quarter:** Oct - Nov 2020  
*Available from 1 January 2021*



**Details... continue**

## When will payments arrive from the ATO?

<b>Eligible Month</b>	<b>Payment Month</b>
October 2020	November 2020
November 2020	December 2020
December 2020	January 2021
January 2021	February 2021
February 2021	March 2021
March 2021	April 2021



## ❑ Legacy Employer

What is it?

- ✓ An employer who has received one or more JK payments between 30.03.2020 to 27.09.2020, but no longer qualifies, and
- ✓ Still experiencing at least a 10% decline in turnover.
- ✓ Fair Work Act (FWS) – changes made to assist employers make decisions around employees.





## Legacy Employer...continue

- 1) Can change days and times of work,
- 2) Can change duties and location of work, and
- 3) Stand down direction to reduce ordinary hours to a minimum of 60% of the employee's ordinary hours.

Recommendation – be careful & seek out HR professional.



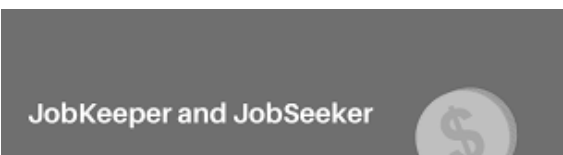




## ❑ Double Up – JobKeeper & JobSeeker

- ✓ Australian on JobKeeper payments can claim JobSeeker to top up their income (*from 27<sup>th</sup> September 2020*),
- ✓ Federal Government has confirmed that claiming JobKeeper does not exclude people from claiming JobSeeker also,

## ❑ Objective – support has been targeted to individual circumstances.



JobKeeper and JobSeeker

Updates to payments from  
28 September 2020



## □ How

- ✓ From 27<sup>th</sup> September, the rate of JobKeeper will drop to \$750 per fortnight for people employed under 20 hours,
- ✓ The part-time JobKeeper rate will then be less than the new rate of JobSeeker, which is \$815 per fortnight, and
- ✓ Workers no longer need to prove they are unemployed or have an employment separation certificate to access JobSeeker payments.





## □ How ... continue

- ✓ For example, someone receiving JobKeeper at the part time rate of \$750 per fortnight could be eligible for a part payment of JobSeeker of about \$545 per fortnight – total \$1,295 per fortnight,
- ✓ Note – those who received JobSeeker and have children are automatically eligible for the full rate of Family Tax Benefit, and
- ✓ May also be eligible for rent assistance of up to \$139 per fortnight.





## Details... continue

- ✓ All participants to be provided with a PDF copy of this handout,
- ✓ Complete summary of JobKeeper Version 2.0

### EMPLOYER ELIGIBILITY

**END DATE**  
JobKeeper 1.0  
Currently 27 September 2020  
  
JobKeeper 2.0  
Extended to 28 March 2021

**TURNOVER DECLINE TESTING**  
**Current JobKeeper 1.0 Basic Test**  
· 30% decline in projected GST turnover (50% decline for businesses with aggregated turnover of more than \$1 billion)  
· 15% decline if a registered charity

**JobKeeper 2.0**  
No change to decline percentages (30%, 50%, 15%)

**To be eligible from 28 September 2020 to 3 January 2021:**  
· Measure decline using actual GST turnover in the September quarter relative to comparable 2019 periods.

**To be eligible from 4 January 2021 to 28 March 2021:**  
· Measure decline using actual GST turnover in the December quarter 2020, relative to comparable 2019 periods.

**OTHER INFORMATION**  
JobKeeper remains open to new recipients provided they meet the existing eligibility requirements and the additional turnover tests during the extension period

## JobKeeper 2.0

Currently  
**\$1500**  
PER FORTNIGHT  
for all eligible employees  
till 27 September 2020

WORKED 20 HOURS +	OTHERS
<b>\$1200</b> PER FORTNIGHT from 28 September 2020	<b>\$750</b> PER FORTNIGHT from 28 September 2020
<b>\$1000</b> PER FORTNIGHT from 4 January 2021	<b>\$650</b> PER FORTNIGHT from 4 January 2021

**STOP** 28 March 2021

### WORKER ELIGIBILITY

**EMPLOYEES**  
20+ work hours test (look-back to February 2020)  
· From 28 September 2020, eligibility for "full rate" (Tier 1) JobKeeper depends on employee working in the four weeks of pay periods before 1 March 2020 for 20 hours or more an average  
· ATO discretion to apply an alternative test if employee's hours were not usual during February 2020 reference period  
· Employer must nominate which payment rate is being claimed for each employee

**JobKeeper 1.0 eligibility rules for employees are unchanged**

**Apprentices and trainees in place on 1 July 2020**  
· Wage subsidy of 50% of the apprentice or trainee's wages paid until 31 March 2021. In addition to the existing support for small businesses, medium-sized businesses employing 199 people or fewer will no be eligible for the subsidy, for wages paid from 1 July 2020 to 31 March 2021

**JobKeeper eligibility continues for sole traders, a partner in a partnership, a beneficiary of a trust, a shareholder or director of a company**

**SOLE TRADER and ELIGIBLE BUSINESS PARTICIPANTS**  
20+ work hours test (look-back to February 2020)  
· The 20+ hour test (see above) also applies to sole traders and eligible business participants from 28 September 2020, calculated by reference to time spent "actively engaged in the business".





**Chan & Naylor**  
Our People. Your Advantage.

## — Frequently Asked Questions

**Q. When does the new JobKeeper commence?**

A. JobKeeper V2.0 - from 28<sup>th</sup> September 2020.

**Q. How long will the new JobKeeper be in place?**

A. 6 months until 28<sup>th</sup> March 2021 (*3 months \* 2 periods*).

**Q. Does a business need to reapply with the ATO?**

A. The short answer, No – but eligibility must be satisfied.





**Q. Will my business still have to complete monthly declarations?**

A. Yes, or payments will not be received from the ATO.

**Q. How will I know if my entity/business is eligible?**

A. ATO report – compare 2020 quarter to 2019 quarter (*basic test*).

**Q. How much will I get for the new JobKeeper rates?**

A. Extension period # 1 - \$1,200 FT or \$750 PT,

B. Extension period # 2 - \$1,000 FT or \$650 PT.





**Q. What is the difference between a full-time employee vs part-time employee?**

- A. Full time - 20 hours or more per week for the reference period,
- B. Part time - others.

**Q. What happens if a business hasn't had 30% drop in the July – Sept 2020 quarter but in Oct – Dec 2020 quarter, the sales drop more than 30%? Would it become eligible and would it be back dated?**

- A. An entity is not excluded from qualifying for the JKP in extension period # 2 simply because it did not qualify for the JKP in extension period # 1

*(or even where it did not qualify for the original JKP scheme prior to 28<sup>th</sup> September 2020)*

## Keep the Banks Honest

✓ Hungry for the right client,

✓ Loan should start with a 2.00%,

✓ Loan broker – we regularly/annually review our client's loans,

✓ Contact Lucy Ramunno @ [lucyr@chan-naylor.com.au](mailto:lucyr@chan-naylor.com.au) or 9370 4800.

Objective – go shopping to save money, it's a free service to you!







**Chan & Naylor**  
Our People. Your Advantage.

## — What To Do Next

### ❑ Wealth & Financial Planning!

✓ Cash is King!

✓ Loss of jobs, deferrals of mortgages & car repayments, paying of bills, and the stopping of JobKeeper, etc....

✓ What effect has Covid-19 had on your superannuation, insurances & investments

✓ Contact Dasith Monnekulame @ [dasithm@chan-naylor.com.au](mailto:dasithm@chan-naylor.com.au) or 9888 3175.

### ❑ Objective – get yourself Financially Sorted!





**Chan & Naylor**  
Our People. Your Advantage.

# — Website

## Website

✓ Brand New!

✓ Webpage <https://chan-naylormelbourne.com.au>



### Welcome to Chan & Naylor Melbourne

Chan & Naylor Melbourne aims to at all times, maintain the utmost levels of service for our clients and strives to place itself at the forefront of Business Advisory Services within the Accountancy Industry.

#### Our Mission

*"Helping you get Financially Sorted – to live a fulfilling and engaging life – ready to take on the world"*

We believe this mission is a worthy one!

**Benefits of Being Financially Sorted...**

03 9888 3175 melb@chan-naylor.com.au f @ in



[About Us](#) [Services](#) [News](#) [Resources](#) [Contact Us](#)

[Book An Appointment](#)

[CLIENT AREA](#)





## Webinar

- ✓ Federal Budget - Upcoming
- ✓ Tuesday, 6<sup>th</sup> October 2020
- ✓ Major changes are coming – stay tuned!

Look out for webinar invitation – tomorrow morning. [Click to register!](#)

## ✓ Webinar Times:

- Thursday, 8<sup>th</sup> October 2020 @ 12.30pm
- Friday, 9<sup>th</sup> October 2020 @ 3.00pm





## ❑ One Question – is your business okay???

You should be attending to cashflows, budgets, forecasting, looking at team members, what stimulus packages are available to you, talk to banks & landlords, trimming the fat...

❑ Recommendation - Speak to us right **NOW!**

❑ Recommendation – Build a network of experts around you to help you achieve your objectives (*would include property advocate, accountant – for both business & wealth purposes, loan broker, financial planner, conveyancer, solicitor, etc.*)



**Chan & Naylor**  
Our People. Your Advantage.

## — What To Do Next

**One Question – is your business okay???**

✓ Recommendation – know your numbers!

✓ How can a business operate & improve if you don't know daily what your numbers are?

✓ Use simple software like Xero which can help.

**If you stand still, you will get overtaken!**





□ **Our Focus - it's all about education of our clients**

*(proactive, webinars, marketing, seminars, newsletters, consultations)*

□ **Your Focus – it's all about investment in yourself**

*(read books, speak to the right people, attend seminars & webinars, discover opportunities available)*



**Chan & Naylor**  
Our People. Your Advantage.

## — What To Do Next

### Take Homes...

- ✓ JobKeeper - go for it if you can,
- ✓ Talk to us for assistance,
- ✓ Make sure all compliance is up to date with ATO – ITR's, BAS's, Super, etc.
- ✓ It's time to get Financially Sorted!

Contact      **(03) 9370 4800**

Webpage      **<https://chan-naylor.com.au>**

Email      **[peterl@chan-naylor.com.au](mailto:peterl@chan-naylor.com.au)**

