

## JobKeeper payments extended on a pared back basis

Date: 21 July 2020

### Abstract

On 21 July 2020 the Australian Government announced an extension to the JobKeeper payment scheme. The second phase will commence on 28 September 2020 and end on 28 March 2021. The revised scheme will reduce the fortnightly payment of \$1,500 and introduce stricter eligibility criteria for qualifying businesses and not-for-profits.

### The JobKeeper payments

The Australian Government introduced JobKeeper payments to provide financial assistance for businesses and not-for-profits which were significantly affected by the COVID-19 pandemic. Presently, the scheme provides subsidies of \$1,500 (gross) per eligible employee or business participant per fortnight and ends on 27 September 2020. A [Treasury review](#) found the JobKeeper scheme has supported to 960,000 businesses and 3.5 million workers.

For a background of the JobKeeper scheme, see: [JobKeeper Scheme – JobKeeper payment](#); and [JobKeeper scheme – JobKeeper payment and amendments to the Fair Work Act 2009 \(Cth\)](#)

### Changes to JobKeeper payments

On 21 July 2020, the Government announced the extension of JobKeeper payments on a revised basis. It is estimated to cost approximately \$16 billion and will run for six months from 28 September 2020 to 28 March 2021.

Under the revised scheme, the JobKeeper payment of \$1,500 will be reduced on 28 September 2020 and again on 4 January 2021. The extent of payment reduction depends on whether the eligible employee worked at least 20 hours per week on average in the 4 weeks of pay periods before 1 March 2020 or, for a business participant, was actively engaged in the business for at least 20 hours per week on average during February 2020. Eligibility rules for employees remain unchanged.

The revised scheme also introduces stricter continuing decline in turnover requirements for businesses.

### Staggered reduction in JobKeeper payments

From 28 September 2020 to 3 January 2021, JobKeeper payments will be:

At least 20 hours per week on average	\$1200
Less than 20 hours per week	\$750

From 4 January 2021 to 28 March 2021, JobKeeper payments will be:

At least 20 hours per week on average	\$1000
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Less than 20 hours per week	\$650
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#### Stricter continuing decline in turnover test for business

Businesses and not-for-profits need to satisfy the continuing decline in turnover test by reference to actual turnover in addition to existing eligibility requirements.

Jobkeeper payment period	Decline in Turnover Test
28 September to 3 January 2021	Applied by reference to actual turnover in <u>both</u> quarters ending June <u>and</u> September 2020
4 January 2021 to 28 March 2021	Applied by reference to actual turnover in quarters ending June, Sept, <u>and</u> Dec 2020

For further information: [Australian Government webpage –JobKeeper extension](#) and [Fact Sheet – Extension of the JobKeeper Payment](#).

See also: [JobKeeper Scheme – JobKeeper payment](#); [JobKeeper scheme – JobKeeper payment and amendments to the Fair Work Act 2009 \(Cth\)](#).