

24 August 2020

## JobKeeper 2.1 information

The current JobKeeper program will still continue unchanged until its completion on 27 September.

### JobKeeper 2.1 – changes

**The extension** is still for an additional six-months, from 28 September 2020 to 28 March 2021, divided into two periods; the 1st extension period of seven fortnights, and the 2nd extension period of six fortnights. The turnover decline thresholds also remain. For simplicity, we will refer to the 30% threshold.

The main changes are:

- For the current fortnight (commenced 3 August) onwards, the date on which eligible employees must be employed will move from 1 March to 1 July. It's not clear, but the 1 July employment date might be in addition to 1 March, which would certainly expand eligibility. But note, an employee is not eligible if they have previously nominated with another employer (even though no longer employed with the previous employer, so there is no double-dipping). This might not be the intention, and these issues will need clarification.
- To qualify for the 1st extension period, only the September quarter needs to have suffered the 30%+ turnover decline.
- To qualify for the 2nd extension period, only the December quarter needs to have suffered the 30%+ turnover decline.
- The two payment rates remain, but the higher will apply where an eligible employee worked an average of 20 hours or more in the four weeks of pay periods before *either* 1 March 2020 or 1 July 2020.

**A business might qualify** for the 1st extension period, but not the 2nd (because December 2020 quarter turnover did not actually decline by 30% or more). Similarly, a business might not have qualified for the current JobKeeper program up to now, but is now predicted to suffer the 30%+ turnover decline in the September quarter. That business can enrol in the current JobKeeper program for the current fortnight onwards, and for JobKeeper 2.1 if the September quarter's turnover shows an actual decline of 30%+.

**For an Eligible Business Participant**, the higher of lower rate is based on weekly average number of hours "actively engaged" in the business back in February. That presents issues for supporting the number of hours, as there are no payroll records.

The Commissioner will have a discretion to set out alternative tests to measure an employee's working hours in that February or June period where they were out of the ordinary (eg, the employee was on leave, commenced employment during that period, etc).

**For now**, to get a preliminary idea of whether your business will qualify for the 1st extension period of JobKeeper 2.1, you'll need to compile the following information:

- Turnover for the September 2019 quarter (refer to your BAS)
- Analyse your payroll records for February and/or June 2020 to allocate your current eligible employees into the above/below 20 hours category
- Determine your turnover for the September 2020 quarter as soon as possible after the quarter end.

The first fortnight for JobKeeper 2.1 ends on Sunday, 11 October. Between now and then, with the above information, and a few details ironed out in due course, you will be able to determine the following:

- Whether you qualify for the 1st extension period
- If you do, the allocation of your eligible employees to the higher or lower payment category
- The applicable minimum amount that you must pay to each eligible employee (\$1,200 or \$750, pre-tax) by 11 October (or such later date as the Commissioner is likely to determine), and then on for the remaining six fortnights in the 1st extension period.

Talk to us at Cohen and Krass about how we can help you determine whether you qualify for the 1st extension period of JobKeeper 2.1. Please refer to our previous blogs found on our website for definitions used for JobKeeper. Also, refer to the following Treasury Fact Sheets

- [Treasury fact sheets](#)
- [Three-month Review](#)

Yours sincerely  
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