



Fact Sheet

July 2020: Economic & Fiscal Outlook – Key Summary for Employers

For the webinar associated with this fact sheet, visit
<https://www.youtube.com/watch?v=8jRwaalUemo>

On 23 July 2020, the Australian Federal Government announced their updated Economic and Fiscal Outlook, relating to the economy and wage support measures such as JobKeeper, JobSeeker and JobTrainer. What does this all mean for regionally based small to medium sized businesses and not for profit organisations?

JobKeeper 2.0

JobKeeper has been extended to 28 March 2021, in a modified format.

The extension of JobKeeper means that changes to the Fair Work Act will also extend to 28 March 2021. This means that if you have JobKeeper enabling directions in place, or wish to make such directions, you can continue to do so until 28 March 2021.

Payment amounts

For employees who worked **more** than 20 hours a week as at 1 March 2020, from 28 September 2020, payments will drop to \$1,200 per fortnight. From 4 January 2021, payments will drop to \$1,000 per fortnight,

For employees who worked **less** than 20 hours per week as at 1 March 2020, from 28 September 2020 payments will drop to \$750 per fortnight. From 4 January 2021, payments will drop to \$650 per fortnight.

JobKeeper extension period	20 or more work hours on average per week	Less than 20 work hours on average per week
28 September 2020 to 3 January 2021 (first extension period)	\$1,200 per fortnight	\$750 per fortnight
4 January 2021 to 28 March 2021 (second extension period)	\$1,000 per fortnight	\$650 per fortnight

Payments will continue to be made in arrears; this means you need to continue paying your staff upfront, and you'll be reimbursed through the tax system on a monthly basis.

Eligibility

From 28 September, businesses and not for profits will be required to reassess their eligibility for the subsidy by reference to their **actual June and September quarter turnovers** to demonstrate they have suffered an ongoing significant decline in turnover.

To be eligible, employers must have a turnover of 30-50% (depending on whether turnover is less or more than \$1 billion). Charities must show a 15% shortfall.

These new eligibility requirements only apply after 28 September 2020.

Employers not currently receiving JobKeeper can still apply, if they meet eligibility requirements including turnover and having eligible employees as at 1 March 2020.

This information and advice is general in nature, based on our interpretation of current legislation and policy, and does not take into account your specific circumstances. You should consider whether the information is appropriate to your needs and seek professional advice if required.



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There continue to be alternative tests available for employers who cannot meet the standard tests, and more details about these alternatives can be found here:

<https://www.ato.gov.au/General/JobKeeper-Payment/In-detail/JobKeeper-tests/Applying-the-turnover-test/?page=4>

For further information: <https://treasury.gov.au/coronavirus/jobkeeper/extension>

JobTrainer

The new JobTrainer package includes a \$1 billion fund to support 340,700 new training places across Australia, giving trainees access to new skills by upskilling and retraining them for sectors with increased job opportunities.

The funding will be available for nationally accredited qualifications and skillsets that are identified as 'genuine need' by the National Skills Commission.

The other half the JobTrainer package is the extension of the Supporting Apprentices and Trainees wage subsidy to help employers keep their apprentices and trainees in work. The wage subsidy covers 50% of wages paid to apprentices and trainees, up to \$7,000 per quarter. Eligibility is extended to businesses with up to 199 employees, but the apprentice or trainee will need to be in place from 1 July 2020 to be eligible. Larger employers and Group Training Organisations that re-engage out of trade apprentice or trainees are also eligible.

The wage subsidy cannot be claimed for the same employees who are receiving JobKeeper; however if a business stops receiving JobKeeper, it will then be eligible to apply for the subsidy as long as the eligibility criteria is met.

For further information: <https://treasury.gov.au/coronavirus/businesses/apprentices-and-trainees>

Coronavirus SME Guarantee Scheme

This Scheme has been extended by the Government after 30 September 2020. Up to 30 September 2020, SMEs with a turnover of up to \$50million can have 50% of their maximum \$250,000 in unsecured loans guaranteed. Loans will be up to 3 years with an initial 6 month repayment holiday.

From 1 October 2020, this has been expanded to a maximum of \$1 million in loans repayable over 5 years, with the repayment holiday at the discretion of the lender. The loans can also be secured or unsecured.

The Government is encouraging lenders to approve loans as and when the SME needs it, with the idea being that they only incur interest on the amount they actually draw down. This would give your business great flexibility and only interest charged on the money used.

If you are interested in applying, approach your financial institution first, and then look more broadly. [44 lenders](#) have been approved by Treasury to offer this Scheme.

For further information: <https://treasury.gov.au/coronavirus/sme-guarantee-scheme>

JobSeeker

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Last updated 23 July 2020.



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Coronavirus Supplement

From 24 September 2020, the Coronavirus Supplement, for those on an eligible income support payment, will be reduced to \$250 per fortnight. It will cease to be paid on 1 January 2021.

Changes to eligibility

To be eligible for JobSeeker, a person needs to be a permanent employee stood down or unemployed, sole traders/self-employed/casuals/contractors who meet the relevant income test, or an eligible individual caring for someone affected by COVID-19. Most of the waiting periods will continue to be waived until 31 December 2020.

The income free area for JobSeeker Payment and Youth Allowance for jobseekers will **increase** significantly to \$300 per fortnight. If you earn above this amount, your payment reduces by 60 cents for each dollar earned above this amount.

From 25 September 2020, means testing and the Liquid Assets Waiting Period will resume.

The Partner Income Test will also change, so that your payment will reduce by 27 cents for every dollar your partner earns over \$1165 per fortnight.

Mutual obligation requirements

From 4 August, mutual obligation requirements will return gradually. This means that to continue receiving JobSeeker payments, recipients must actively look for work.

For further information: <https://www.servicesaustralia.gov.au/individuals/news/how-coronavirus-supplement-and-eligibility-some-income-support-payments-are-changing#:~:text=There%20are%20changes%20to%20the,your%20payment%20reduces%20to%20zero.>

What should I do right now?

- Make sure you understand your obligations in relation to your staff, and are prepared for life in JobKeeper 2.0 and beyond.
- Keep records and put everything in writing – make sure you're meeting your record keeping obligations.
- Check all of your employment contracts, or put employment contracts in place. Go beyond the lawful requirements – check that you have good termination clauses, post-employment constraints, return of property requirements, debt settlement through termination pay, etc.
- Make sure that you have good, relevant policies on performance, conduct and redundancy.
- Deal with performance or conduct issues now and do so lawfully and to minimise your risk – the behaviour you walk past is the behaviour you accept.

Need help? Contact Pinnacle People Solutions for tailored advice and support for your business by email to admin@pinnaclepeoplesolutions.com.au or call 1300 856 231

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