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**CIRCULAR NO.** GEN/26/CCV/2020  
**DATE:** 30 April 2020  
**SUBJECT:** JobKeeper Scheme - UPDATES  
**ATTENTION:** Club Managers

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The purpose of this circular is to provide you with an update as to clarifications provided by the Federal Government and the Australian Tax Office (ATO) in their administration of the JobKeeper scheme.

The information set out in this circular:

- reflects the information contained in the [media release of the Honourable Josh Frydenburg MP of 24 April 2020](#), and current information published on the [ATO's website](#);
- should be read in conjunction with the [Coronavirus Economic Response Package \(Payments and Benefits\) Rules 2020](#) and [Coronavirus Economic Response Package \(Payments and Benefits\) Alternative Decline in Turnover Test Rules 2020](#) as updated from time to time (collectively the **JobKeeper Rules**) and available for download.

### Who is an eligible employer?

As set out in our previous Circulars, businesses will be eligible to participate in the JobKeeper scheme where they meet the “**turnover reduction test**”, based on establishing a specified percentage reduction in turnover for an eligible month or quarter year on year. On 23 April 2020, the Government registered a new legislative instrument providing for alternative tests available to an entity, who cannot satisfy the basic decline in turnover test, to assist in establishing their eligibility for the scheme.

The alternative tests can apply where:

- the entity commenced business before 1 March 2020 but after the relevant comparison period; or
- there was an acquisition or disposal of part of the business, or restructure of the business, after the relevant comparison period and before the applicable turnover test period, and the acquisition or disposal, or restructure, changed the entity's turnover; or
- the entity had an increase in turnover of:
  - 50% or more in the 12 months immediately before the applicable turnover test period; or
  - 25% or more in the 6 months immediately before the applicable turnover test period; or
  - 12.5% or more in the 3 months immediately before the applicable turnover test period.
- the entity conducted business or some of its business in a declared drought zone, or declared natural disaster zone, during the relevant comparison period, and the drought or natural disaster (ie. bushfire) changed the entity's turnover; or
- for the quarters ending in the 12 months immediately before the applicable turnover test period, the entity's lowest turnover quarter is no more than 50% of the highest turnover quarter, and the entity's turnover is not cyclical.

An additional test also applies to sole trader or small partnerships effected by sickness, injury or illness of the sole trader or partner.

Where one of the above applies, the entity can adopt one of the specified alternative turnover reduction calculation methods (as applicable to their circumstance) to seek to qualify for the JobKeeper scheme. Details of the alternative tests available are set out in the *Coronavirus Economic Response Package (Payments and Benefits) Alternative Decline in Turnover Test Rules 2020*.

### **Who is an eligible employee?**

The explanatory statement to the existing JobKeeper Rules provides that “[a]pplying the benefit of the JobKeeper payment to workers over the age of 16 only is justified and rationally connected and proportionate to the objective as it is workers over the age of 16 who are financially independent and who require the security provided by participation in the JobKeeper scheme and the maintenance of the working relationship that it affords.”

The pending amendments to the JobKeeper Rules will seek to reflect the above and provide that full-time students who are under 18 years of age, and who are not financially independent, are not eligible for the JobKeeper payment.

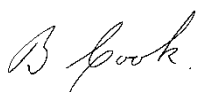
This clarification will apply prospectively, meaning that an eligible employer who has already met the wage condition of paying such an employee \$1,500 (gross) for either April 2020 fortnight (ending 12 April or 26 April 2020) will be entitled to reimbursement of the JobKeeper payment in arrears for that fortnight. However moving forward, it would not be appropriate to continue to make JobKeeper payments to full-time students under the age of 18, who are not financially independent.

### **The application process and payment obligations**

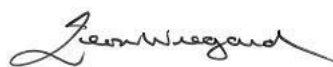
The ATO has also extended the time for employers to enrol for the initial JobKeeper periods from 30 April 2020, until 31 May 2020.

If employers enrol by 31 May 2020, they will still be able to claim for the first two fortnights (30 March – 12 April, 13 April – 26 April) provided they meet all the eligibility requirements for each of those fortnights, including having paid their employees the minimum \$1,500 (gross) payment for each fortnight by 8 May 2020. If employees are not paid by 8 May, employers will not be able to claim JobKeeper for the first two fortnights.

**The Information provided in this e-mail is generic advice. For advice in respect of your specific situation, please contact the SIAG National Advisory Service on 03 9644 1400 or 1300 742 447.**



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