



JobKeeper Payment Guide

What we know, so far, about this announcement:

1. This will still need to be passed by parliament. Parliament is currently shut down so we are unsure when or how this will occur. However, we do not expect anyone to oppose this proposal. Therefore, we believe this will be available as announced.
2. Payments do not commence until the first week in May, 2020 and will be backdated to March 30, 2020, regardless of when you register.
3. Our understanding is this will need to be all employees or no employees. If you wanted an employee to be excluded they would have to be terminated completely (not stood down). This would need to be in line with the standard legal requirements.
4. If an employee earns less than the \$1,500 per fortnight, you do not retain the additional funds, their pay will increase to \$1,500 per fortnight.
5. If an employee earns more than \$1,500 per fortnight you will be required to fund the additional wages, regardless of whether the employee is physically attending work or is stood down.
6. Casual employees who have been regularly employed for the past 12 months will also be eligible for this payment.
7. Superannuation would still be payable on the regular wages of your employees, which is not covered by this payment.
8. The payment is taxable income to employee. Therefore, employees will need to be aware of the potential impact this will have on any other government payments they receive and their tax position.
9. We are unsure of the tax treatment for employers. So far the stimulus payments have been tax-free payments, so we expect this to be the case. However, this has not been clarified.



Roach Morgan-Jones

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While for the majority of businesses this will generally be positive, with the above factors in mind we would recommend holding off on registering for the scheme until the details are clarified. Before registering, we would also recommend reviewing your cash flow, employee structure and last year turnover, so you can ensure your eligibility and ensure your business can still survive paying the costs associated with keeping your employees.

The current situation is a complex issue with multiple factors, which in some cases can impact your tax position and general sustainability. As such the tasks advised in our COVID-19 BUSINESS SURVIVAL GUIDE ([available via our website](#)), are essential. You should look at completing these tasks as soon as possible to ensure your business is in the best position to survive. However, if you feel you do not have the time or the ability to complete the required tasks, we are more than happy to assist.

With that in mind we have put together a basic advisory package, which will involve the following tasks:

- Assessment on eligibility for government stimulus
- Break even analysis
- Calculation of cash outflow from employee wages and other regular fixed costs (i.e. rent, loans), including calculating the net cash flow for these activities after the government stimulus.

For most businesses these tasks would take RMJ a day to complete, which would normally cost \$1,200-\$1,500. Considering the current environment and the need for all businesses to complete these tasks we are prepared to offer these services for a fixed fee of \$750 to \$1,000 per entity.

Please contact our office if you would like us to complete these tasks and calculations for you.

These tasks, whether completed by yourself or our office, will form the building blocks for informed decisions about your business moving forward.