

Alert

EMPLOYMENT LAW



Administering the JobKeeper Vaccine for Employers

By Ben Duggan & Jonathan Ikononopoulos

The proposed JobKeeper package announced by the Federal Government is a wage subsidy scheme. Legislation which will contain the detail of the scheme is to follow. So far, the main points for employers to be aware are as follows.

Eligible employers impacted by the economic downturn as a result of the current pandemic will be able to access a wage subsidy made available to them by the Federal Government for the purpose of continuing to employ and pay their workers.

A flat fortnightly before tax subsidy of \$1,500 from 30 March 2020 for a maximum period of 6 months is proposed under the scheme.

The subsidy may be available and payable only to employers for it to be re-paid to their workers in the form of ordinary wages to defray the cost of their labour force.

Payments to eligible employers are to be made monthly in arrears by the Australian Taxation Office from April.

Employers with workers

Employers eligible to pay the subsidy to workers eligible to receive the subsidy must establish the following:

- their business has a turnover of less than \$1 billion, and their turnover has fallen by more than 30 per cent (of at least a month); or
- their business has a turnover of \$1 billion or more, and their turnover has fallen by more than 50 per cent (of at least a month); and
- they are not subject to the Major Bank Levy (“**Eligible Employers**”).

The wage subsidy must be in relation to a worker who has been in an employment relationship with an Eligible Employer from 1 March 2020 who must also satisfy the following criteria:

- they are currently employed by the eligible employer (including those stood down or re-hired);

- they are full-time, part-time, or long-term casuals (a casual employed on a regular basis for longer than 12 months as at 1 March 2020);
- they are at least 16 years of age;
- they are an Australian citizen, the holder of a permanent visa, a Protected Special Category Visa Holder, a non-protected Special Category Visa Holder who has been residing continually in Australia for 10 years or more, or a Special Category (Subclass 444) Visa Holder; and
- are not in receipt of a JobKeeper Payment from another employer (“**Eligible Workers**”).

How the subsidy works

The methodology behind the announcement indicates that the wage subsidy can be treated in the following ways:

continued overleaf...

- Eligible Workers who ordinarily receive \$1,500 or more in income per fortnight before tax will continue to receive their regular wages. In this situation the subsidy is aimed to assist the Eligible Employer to continue operating by subsidising all or part of the income of their Eligible Workers.
- Eligible Workers who ordinarily receive less than \$1,500 in income per fortnight before tax, their Eligible Employer must pay them, at a minimum, \$1,500 per fortnight, before tax.
- If Eligible Workers have been stood down, their Eligible Employers must pay them, at a minimum, \$1,500 per fortnight, before tax.
- Eligible Workers employed as at 1 March 2020 who subsequently cease employment with their Eligible Employers and who have been re-engaged by their Eligible Employers will receive, at a minimum, \$1,500 per fortnight, before tax.

If you have any questions about the wage subsidy or require assistance registering your interest for the wage subsidy please do not hesitate to contact us.

Employers without workers

Persons self-employed may also be able to claim the fortnightly payment in circumstances where they satisfy the criteria of what it means to be an Eligible Employer.



[MORE INFO](#)

Ben Duggan Director

p: +61 8 8124 1881

ben.duggan@dwfoxtucker.com.au



[MORE INFO](#)

Jonathan Ikonomopoulos Senior Associate

p: +61 8 8124 1824

jonathan.ikonomopoulos@dwfoxtucker.com.au

DW Fox Tucker Lawyers

L14, 100 King William Street, Adelaide, SA 5000

p: +61 8 8124 1811 e: info@dwfoxtucker.com.au dwfoxtucker.com.au

COMMERCIAL | CORPORATE | DISPUTES | FAMILY | INSOLVENCY | TAX | HOSPITALITY | IP | PROPERTY | ENERGY | RESOURCES
EMPLOYMENT | WORKERS COMPENSATION | SELF INSURANCE | RISK MANAGEMENT | INSURANCE | WILLS | ESTATE PLANNING

Disclaimer: The information contained in this communication does not constitute advice and should not be relied upon as such. Professional advice should be sought prior to any action being taken in reliance on any of the information.