

**Arthur Kyriacou & Co.**

ABN 18 286 766 279

Suite 1 Level 1  
2-8 Burwood Highway  
Burwood East VIC 3151

PO Box 4352  
Burwood East VIC 3151

T +61 3 9808 7377

E [info@alkfinancialgroup.com.au](mailto:info@alkfinancialgroup.com.au)

[www.alkfinancialgroup.com.au](http://www.alkfinancialgroup.com.au)



# JobKeeper Second Extension Update

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*[Source: Australian Taxation Office – Small Business NewsRoom]*

## INTRODUCTION

On 21 July 2020, the Government announced that it is extending the JobKeeper Payment Scheme until 28 March 2021 and is targeting support to those businesses and not-for-profits which continue to be significantly impacted by COVID-19.

From 28 September 2020, businesses and not-for-profits seeking to claim JobKeeper payments are required to reassess their eligibility for the JobKeeper Payment with reference to their actual turnover in the September 2020 quarter.

Businesses and not-for-profits will need to further reassess their eligibility in January 2021 for the period from 4 January 2021 to 28 March 2021.

## JOBKEEPER EXTENSION 1:

From 28 September, the JobKeeper Payment rate has been reduced and is paid at two rates (tier 1 and tier 2) for eligible employees:

- Tier 1 - \$1,200 per fortnight (before tax) for all eligible employees who, in the four weekly pay periods before the reference period, were working in the business or not-for-profit for 20 hours or more a week on average and for business participants who were actively engaged in the business for 20 hours or more per week
- Tier 2 - \$750 per fortnight (before tax) for eligible employees who were working in the business or not-for-profit for less than 20 hours a week on average and business participants who were actively engaged in the business less than 20 hours per week in the reference period.

## JOBKEEPER EXTENSION 2:

From 4 January 2021 to 28 March 2021, the JobKeeper Payment rate has been further reduced and is paid at two rates (tier 1 and tier 2) for eligible employees:

- Tier 1 - \$1,000 per fortnight (before tax) for all eligible employees who in the four weekly pay periods before the reference period, were working for 20 hours or more a week on

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average and for business participants who were actively engaged in the business for 20 hours or more per week.

- Tier 2 - \$650 per fortnight (before tax) for employees who were working for less than 20 hours a week on average and business participants who were actively engaged in the business for less than 20 hours per week in the reference period.

For eligible businesses to receive JobKeeper payments, they will need to:

- Continue to complete JobKeeper monthly business declarations on time to be reimbursed for payments made in the previous month.
- Report to the ATO which payment tier is being claimed for each eligible employee and/or business participant in the November monthly business declaration.
- Determine and submit the decline in turnover for each quarter through the ATO's online system.

**Please note that eligible businesses and not-for-profits can enrol in the scheme at any time until the program closes.**

## **JOBKEEPER 2.0 - ELIGIBILITY**

With Christmas only days away and with many taking a break over the New Year period, it is important for businesses to start assessing their eligibility for JobKeeper's second extension.

Businesses should allow ample time to plan for their payroll commitments and management of business cash flow in the new year.

The Australian Taxation Office has granted an extension to 31 January 2021 to meet the wage condition for JobKeeper fortnights 21 and 22 (originally due 4 January 2021). This will ensure correct payments are made to employees and to formally report on their eligibility to enter or remain in the JobKeeper scheme.

## **WE'RE HERE TO HELP**

As we respond to the challenges of COVID-19, staying connected has never been more important.

Arthur Kyriacou & Co is here to support you and can assist you with the assessment of JobKeeper eligibility, management of JobKeeper reimbursement claims and any other management services you may need.

Please contact us on 03 9808 7377 or via email to discuss these matters further.

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