# JobKeeper rules explained

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## The rules governing the JobKeeper payment have been published, explaining in detail the eligibility criteria for both employers and their employees.

The Treasurer has released the JobKeeper rules and an accompanying explanatory statement, setting out the obligations governing the $1,500 fortnightly payment.

A majority of questions posed by business owners since the enactment of JobKeeper have concerned the decline in turnover test, and according to the statement, there are two ways for entities to satisfy this requirement: the basic test and the alternative test.

The basic test compares the GST turnover of any single month from March to September 2020, or the quarters that start on 1 April 2020 or 1 July 2020, with the corresponding period in 2019.

For example, a business can make the comparison by comparing the whole of the month of March 2020 with March 2019, or by comparing the quarter beginning on 1 April 2020 with the quarter beginning on 1 April 2019.

A business will generally satisfy the test where the GST turnover in the turnover test period falls short of the comparison turnover and the shortfall is 30 per cent or more.

The alternative test applies where there is not an appropriate relevant comparison period in 2019. According to the Treasury, this might be the case for a new business or a business that made a major business acquisition in 2020.

This alternative decline in turnover test will be determined by the Commissioner of Taxation.

Once a business satisfies the decline in turnover test, it does not need to retest its turnover in later months.

## Monthly reporting

However, entities are still required to report monthly to the ATO.

According to the rules, an entity that is entitled to a JobKeeper payment must notify the commissioner of their current GST turnover for the reporting month and their projected GST turnover for the following month, on a monthly basis.

All ACNC-registered charities and gift-deductible recipients that are eligible for the JobKeeper payment must also report to the commissioner.

The explanatory statement sets out that a reporting month is a month in which there is a fortnight for which the entity is entitled to a JobKeeper payment.

The Treasury, however, reminded that the information provided as part of this report does not affect an entity's eligibility, including in respect of the decline in turnover test.

The statement read: "It is also not intended to verify whether the projection given as part of the decline in turnover test was accurate.

"Rather, it is intended to ensure that there is good information on which to assess the economic impact of the coronavirus on a monthly basis across Australia."

## All employees must be covered

Delving further into the eligibility criteria, the statement points out that once an employer decides to participate in the JobKeeper scheme, they must ensure that all of their eligible employees are covered by it.

"This includes all eligible employees who are undertaking work for the employer or have been stood down," the explanatory statement continued.

The employer cannot select which eligible employees will participate in the scheme, the document stressed.

"This 'one in, all in' rule is a key feature of the scheme."

*The rules published by the Treasury are available here.*

*The accompanying explanatory statement can be viewed here.*

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