

31<sup>th</sup> March 2020

## SC Accounting: Round 3

### \$1,500 Job keeper Payments / PAYG Tax Variations

You may have or will be receiving the next months or quarters PAYG obligations shortly. We recommend that those impacted by the corona virus measures contact Erma Mencin at reception to discuss how the coronavirus has impacted you, and what deductions you may be eligible to claim. In particular, clients with SMSF's who are invested in the share market may wish to vary their PAYG payments to nil.



As announced yesterday afternoon, all Employees and Employers impacted by the coronavirus and in turn the government closures, will be eligible to additional relief. Employers significantly impacted will be able to claim a fortnightly payment of **\$1,500 per eligible employee** commencing 30 March 2020 allowing them to continue to keep employees employed even if the business is closed. These government payments will be passed directly onto employees in wage payments and will continue for a maximum period of 6 months. Government payments will not be made until the first week of May 2020 representing a cashflow issue for some employers.

### Jobkeeper Payment Details

**To receive this payment, Employers must:** Register an intention to apply on the government website (see attached link) that you will or have already been impacted by the Coronavirus.

Eligibility criteria for employers are below:

- For Employers with business turnover of less than \$1 billion and turnover has or is expected to be reduced by more than **30%** (compared to the same month period from last year)
- OR
- For Employers with business turnover of more than \$1 billion and turnover has or is expected to be reduced by more than **50%** (compared to the same month period from last year)

**Payments only apply to eligible employees:** Eligible employees must meet all of the following eligibility criteria:

- The employee must be employed by the **eligible employer**. We recommend employees speak to their employers to confirm if they are eligible. Please note that it also includes those employees recently stood down or re-hired;
- They must have been employed at or before **1 March 2020**;
- They are classified as **full-time, part-time, or long-term casuals**. Please note that a casual employed on a regular basis for longer than 12 months as at 1 March 2020 will meet this criteria;
- The employee must be at **least 16 years of age**;
- The employee must meet the following:
  - They are an Australian citizen or
  - the holder of a permanent visa or
  - Protected Special Category Visa Holder or

- 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
- f) The employee must not be receiving the JobKeeper Payment from another employer.

We note that the above also applies to **Sole traders**.

### The Application Process:

- 1) Register your interest by clicking the following link: <https://www.ato.gov.au/general/gen/JobKeeper-payment/> and completing the basic details.
- 2) Eligible employers will then be able to apply for the scheme via an online ATO application.
- 3) First payments will be received in the first week of May 2020.

Please note that employers must identify eligible employees and provide monthly updates to the ATO. These Eligible employees will receive, at a minimum, \$1,500 per fortnight, before tax and any potential superannuation obligations. We recommend that you contact us if you require assistance with the application process or to confirm if you meet the eligibility criteria.

### How Does it work:

In assisting business and employees on how this works, we have the following table that can apply to full time, part time, and eligible casual employees and are based on fortnightly wage payments. We note that information is based upon Treasury fact sheets at the time of writing this update and that full legislation has not been passed. It is the intention of the Government for employers to continue to employ staff under these modified terms and conditions.

At this point in time, your Organisation may or may not validly qualify for this Jobkeeper concession. We suggest that you enact these changes effective next pay period with the understanding between your organisation and its staff that these changes have not become law and that any JobKeeper payment paid to them, in the interim, will be treated as unused annual and/or long service leave if you do not qualify.

Normal Wage Payment (pre-Coronavirus impact)	Reduced Wage due to Corona Virus	Govt Jobkeeper Payment to Employee (A)	Amount Received by the Employee	Govt Jobkeeper Payment - Paid to the Employer (B)	Net Cost (Benefit) to Employer (A-B=C)
\$3,000	\$3,000 (no reduction)	\$0	\$3,000 (No Change)	\$1,500	(\$1,500 Benefit)
\$2,000	\$1,200	\$800	\$2,000	\$1,500	\$(700 Benefit)
\$2,000	\$1,000	\$1,000	\$2,000	\$1,500	(\$500 Benefit)
\$5,000	\$2,000	\$1,500	\$3,500	\$1,500	\$0 Net Cost
\$1,700	\$200	\$1,500	\$1,700 (Reduced hours but no change in wage)	\$1,500	\$0 Net Cost
\$1,000	\$1,000 (no reduction)	\$500	\$1,500 - (The employee will receive an additional \$500 to their normal pay)	\$1,500	(\$1,000 Benefit)

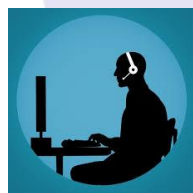
\$3,000	\$0 (Stood Down Employee)	\$1,500	\$1,500	\$1,500	\$0 Net Cost
Self Employed \$5,000 fortnight profit	\$3,000 – income drops by more than 30% due to Coronavirus measures)	\$1,500	\$4,500	JobKeeper payment will be paid to a nominated individuals bank account	
Self Employed \$1,000 fortnight profit	\$0 – income drops by more than 30% due to Coronavirus measures)	\$1,500	\$1,500	JobKeeper payment will be paid to a nominated individuals bank account	

Please note that any employee who qualifies for a JobKeeper payment, which together with their normal fortnightly wages is less than their normal fortnightly wages, both the employer and employee can agree for this shortfall to be taken as unused annual or long service leave. This is a personal contractual arrangement between the parties.

Please note that if you have multiple jobs (e.g. two part time jobs), the employee must select one employer to receive the Jobkeeper payment. In addition, redundancy payments made after 1<sup>st</sup> March 2020 to those not entitled to redundancy pay (due to employment length) may be rehired and receive \$1,500 a fortnight. It is also noted that the above amounts are before tax and superannuation obligations.

Superannuation obligations on the jobkeeper components of wages are optional. Relevant tax rates are also payable on the jobkeeper payments. These payments will be monitored via the Single touch payroll system.

It is essential that all employers contact us if your not already set up for single touch payroll.



**Additional Support:** We recommend that all clients impacted by Coronavirus closures contact us on 95697516.

Steve and Mark’s personal mobile phone numbers are now available to clients directly.

Steve Creelman: 0418 545 119

Mark Caruso: 0439 909 467

**Meetings:** To ensure we play our part in decreasing the spread of the virus, we will be encouraging all meetings to be held via phone. Any essential office meetings will be conducted in our meeting room and limited to one person at a time. We also have a Zoom account available as well as Facetime available upon request. Document drop-off is still available to Erma at reception.

We also note that some staff are now working from home if able to do so including on occasion, Steve and Mark.

## UPDATE: OUR TEAM



**Steve  
Creelman CA**  
**Principal**  
BBus (Accounting),  
CA SMSF Specialist,  
AdvDip (Financial  
Planning)  
Registered Tax Agent



**Mark Caruso  
CPA**  
**Partner**  
BBus (Accounting),  
BBus (Banking &  
Finance),  
Dip (Business)  
Registered Tax Agent



**Erma Mencin**  
**Administrator /  
Bookkeeper**



**Mai Tran  
CPA**  
**Senior Accountant**  
BBus (Accounting)



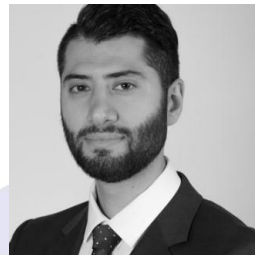
**Kendra Caruso  
CPA**  
**Senior Accountant**  
BBus(Commerce)



**Kylie Creelman**  
**Practice Manager**  
Diploma of Teaching  
(Primary) , Cert IV  
(Practice Management)



**Nick Binney**  
**Accountant**



**Adrian Pelligra**  
**Private Wealth  
Manager**  
BFin, CFP



**Philippine  
Bourdin**  
**Accountant**



**CURRENT SERVICES AVAILABLE:**

Business Accounting &Tax	Basic Individual Tax Returns	Financial Advisory
BAS, FBT, GST, State Taxes	Succession & Estate Planning	Super Advisory (SMSF)
Finance – Mortgage & Asset acquisitions	TRIS, Pensions, Super Contributions – NCC, CC	Insurance Products – Life, TPD, Income Protection
Investment Management & Monitoring	ASX / Compliance Board Advisory	Public Superannuation Fund Advisory / Tax
NDIS Service Provider – Financial Intermediary	Management Reporting, Cash Flow & Budgeting Needs	Business Advisory, Structural, Business Acquisitions and Sales
Outsourced Payroll	XERO / MYOB / QuickBooks Personalised Training Services	

Best Wishes from the team at SCA



Steve Creelman CA



Mark Caruso CPA

*Please note that the above information is intended as a general guide only and is not intended as tax or investment advice. It is in a summarised format and not all information may be specific to your circumstances. If you believe that any of the above impact you, you are recommended to contact us on 95697516 to discuss your specific circumstances.*