



# JobKeeper Payment

For digital service providers

## JobKeeper Payment

The Government has announced the JobKeeper Payment to help keep more Australians in jobs and support businesses affected by the significant economic impact caused by the coronavirus.

The payment ensures eligible employers remain connected to their workforce and will help businesses restart quickly when the crisis is over.

### Employer guidance

Employers may seek guidance about employer and employee eligibility from the JobKeeper Payment for business website: [ato.gov.au/jobkeeper](http://ato.gov.au/jobkeeper)

### DSP guidance

The payment will be administered by the ATO, supported by Single Touch Payroll data. DSPs are requested to assist the ATO with streamlining this process to support impacted businesses.

## Overview

### Subsidy duration and periods

The JobKeeper payment period commenced from Monday 30 March 2020 and will apply for 13 full fortnights until Sunday 27 September 2020. The ATO will reimburse participating employers monthly in arrears \$1,500 for each full fortnight per eligible employee paid by the employer.

### Payroll cycles

Regardless of the frequency of regular pay cycles or out of cycle pay periods, or the pay period start and end dates, the \$1,500 per fortnight applies to the **paydays** (payment date) within the defined fortnights and from which fixed fortnight the payment applies.

Refer to the examples on Page 2.

### Claim cycle

Employers will be required to notify the ATO **after** the end of the month of the total number of eligible employees for which they wish to claim the JobKeeper subsidy.

The ATO will present the employer with the total number of eligible employees to be claimed, per JobKeeper fortnight. This data will be sourced from the STP reported JobKeeper Start Fortnight for payments made in the calendar month, based upon the Pay/Update date in the Pay Event successfully received.

Employers will be able to edit this total number, if revised information is available at the time of the claim, however, the corresponding STP reported JobKeeper Start Fortnight must be reported in the subsequent STP reports to align with the revised number.

Employers will also be required to complete a monthly declaration online.

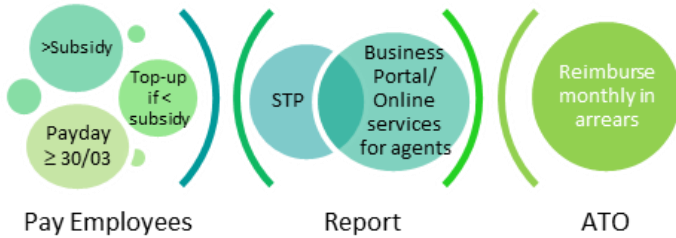
Refer to Calendar and legend (right).

	M	T	W	T	F	S	S
April	Fortnight 01 (30 March – 12 April)						
	30	31	1	2	3	4	5
	6	7	8	9	10	11	12
	Fortnight 02 (13 April – 26 April)						
	13	14	15	16	17	18	19
	20	21	22	23	24	25	26
	Fortnight 03 (27 April – 10 May)						
May	27	28	29	30	1	2	3
	4	5	6	7	8	9	10
	Fortnight 04 (11 May – 24 May)						
	11	12	13	14	15	16	17
	18	19	20	21	22	23	24
	Fortnight 05 (25 May to 07 June)						
	25	26	27	28	29	30	31
June	1	2	3	4	5	6	7
	Fortnight 06 (08 June to 21 June)						
	8	9	10	11	12	13	14
	15	16	17	18	19	20	21
	Fortnight 07 (22 June to 05 July)						
	22	23	24	25	26	27	28
	29	30	1	2	3	4	5
July	Fortnight 08 (06 July to 19 July)						
	6	7	8	9	10	11	12
	13	14	15	16	17	18	19
	Fortnight 09 (20 July to 02 August)						
	20	21	22	23	24	25	26
	27	28	29	30	31	1	2
	Fortnight 10 (03 August to 16 August)						
August	3	4	5	6	7	8	9
	10	11	12	13	14	15	16
	Fortnight 11 (17 August to 30 August)						
	17	18	19	20	21	22	23
	24	25	26	27	28	29	30
	Fortnight 12 (31 August to 13 September)						
	31	1	2	3	4	5	6
September	7	8	9	10	11	12	13
	Fortnight 13 (14 September to 27 September)						
	14	15	16	17	18	19	20
	21	22	23	24	25	26	27
	End of subsidy fortnights						
	28	29	30	1	2	3	4

### Legend

- Last day of 2 full fortnights in the month
- Last day of 3 full fortnights in the month
- Last day of the month to pay employees the JobKeeper Payment to be reimbursed in the following month – an initial “catch up” period only

## Process overview



- Employers will have 3 options to notify the ATO of eligible employees:
  - Online – Limited to employers with less than 200 employees
  - STP – Preferred method for employers using STP
  - File upload – Restricted to employers who are unable to use either of the above.
- Eligible employers must pay their eligible employees at least \$1,500 per fortnight for paydays on or after 30 March
- For the transition into the JobKeeper scheme, the employer can retrospectively apply this payment for paydays on or after 30 March by the end of April
- Any already-finalised employees for this financial year should be unfinalised before making JobKeeper payments
- For payroll cycles, pay the \$1,500 for each fixed JobKeeper fortnightly period where:
  - **Weekly pays** - \$1,500 across the paydays within each JobKeeper fortnight period, including any out of cycle payments. Example: if weekly payday is on Wednesdays, then there are 2 paydays (1/4 and 8/4) within Fortnight 01, so total pay per eligible employee must be at least \$1,500 for those 2 pays. It may be evenly split (\$750/pay) or the second pay must make up at least the total \$1,500 (\$400 then \$1,100)
  - **Fortnightly pays** - \$1,500 for the paydays within each JobKeeper fortnight, including any out of cycle payments
  - **Monthly pays** – at least \$1,500 for each full JobKeeper fortnight within the month. This will be \$3,000 for each month except August, that has 3 full fortnights. The employer may choose to pay \$3,250 each month, but reimbursements are based only upon complete fortnights per month.
  - **Other frequencies** – ensuring that the paydays that fall with the fortnight include a payment of at least \$1,500 per fortnight.
- Report employees with payments subject to withholding in each STP Pay Event on or before payday. The ATO will use this data to assist with reimbursement of JobKeeper subsidy
- From Monday 4 May, eligible employers may apply for the JobKeeper payment on the ATO Business Portal or Online services for agents
- Employers must confirm eligible employees have been paid each month to trigger the ATO reimbursement process and provide some other supporting information.

## STP pay event requirements

Employers may use the STP pay event to notify the ATO of eligible employees.

Payments made to employees must be included in the STP Pay Event. Those who are paid \$1,500 or more per fortnight should report as per the current reporting requirements.

Those eligible employees who are paid **less than** \$1,500 per fortnight must be paid a “top-up” amount to bring their taxable gross to \$1,500 per fortnight for paydays within the JobKeeper fortnightly periods. These “top-up” amounts must be reported as an Allowance Item as:

- **Other Allowances Type Code**
- Description of the payment **MUST** appear in the Other Allowance Type Description as exactly: **JOBKEEPER-TOPUP** (deviations from this exact description may significantly delay or prevent reimbursement)
- Amount reported must be the cumulative (YTD) top-up amount for the JobKeeper Payment.

For all employees, to inform the number of fixed fortnightly periods from which the payment started, the following **Other Allowances** may also be reported:

- To indicate the first JobKeeper fortnightly period for which the subsidy is payable, report the Other Allowance Type Description as exactly: **JOBKEEPER-START-FNXX** where “XX” refers to the fortnightly periods from which the payment first started. For example, **JOBKEEPER-START-FN01** to indicate the payment applies from the 1st (30/03 to 12/04) of the 13 JobKeeper fortnights. Deviations from this exact description, including failure to use 2-char to indicate the period number, may significantly delay or prevent reimbursement. The allowance amount should be reported as zero
- To indicate any exit of eligibility or termination of the employee, report the Other Allowance Type Description as exactly: **JOBKEEPER-FINISH-FNXX** where “XX” refers to the first fortnightly period to which the payment no longer applies. For example, if an employee ceases working on 04/06, then **JOBKEEPER-FINISH-FN06** indicates the 6th of 13 JobKeeper fortnights was the first fortnight for which the subsidy will not be reimbursed to the employer. The allowance amount should be reported as zero.

For example, if the employer is back paying an eligible employee in an out of cycle payment on the last Friday in April to qualify for the subsidy, where the employee was paid only \$1,000 per fortnight, then the Pay Event for fortnight 21 of 26 (within the financial year) will show:

- Gross – 21,000 (assuming \$1,000 for each FN)
- Other – JobKeeper-TopUp – 1,000 (\$500 per FN)
- Other – JobKeeper-Start-FN01 – 0

## Eligible Taxable Payments

When comparing the payments to the eligible employee against the \$1,500 fortnightly JobKeeper payment, consider these **taxable payments in scope**:

- Gross salary and wages
- Paid and unpaid absences, including stand-down periods
- Allowances *other than a reimbursement of expenses or a fringe benefit*
- Overtime, shift and penalties
- Bonuses and commissions
- Approved salary sacrifice arrangements (consider only the payment PRIOR to the deduction of the sacrificed amount)
- Separately itemised allowances INCLUDING those that are less than the ATO reasonable amount and/or **not reported other than a reimbursement of expenses or a fringe benefit**. For example:
  - cents per kilometre (car allowance)
  - laundry
  - award transport payments that are deductible
  - overtime meal allowances
  - domestic travel and all overseas accommodation allowances
  - other allowances

**Exclude these payments** as they are not considered in the comparison:

- GPPL - Government Paid Parental Leave (Centrelink)
- WC - Workers' compensation absence (not able to work)
- Reimbursements – these are a precise amount that reimburses an expense, verifiable by receipts, which was (or will be) incurred by the payee and should **not** be reported through STP, regardless of JobKeeper payments
- Directors' Fees (*that are not salary and wages*)
- Employment Termination Payments
- Lump sum payments (*lump sum A, B, D and E*)
- Exempt foreign income (*exempt from pay as you go withholding*)
- Fringe benefits provided to an employee which are not part of an effective salary sacrifice arrangement.

### Examples:

A weekly paid eligible employee is paid an hourly rate plus casual loading of \$350 per week, with an effective salary sacrifice arrangement of \$100 per week. This "taxable gross" (ignoring the sacrificed amount) equates to \$700 per fortnight, so will receive a top-up of \$800 per fortnight.

A fortnightly paid ineligible employee ceases their workers' compensation absence halfway through the fortnight, so the \$600 workers' compensation absence payment and a JobKeeper top-up of \$1,500 is paid for the JobKeeper fortnight.

A monthly paid eligible part time employee is paid on the 15<sup>th</sup> of each month and receives salary and wages, overtime and overtime meal allowances for \$2,750 (at \$20 per meal for 5 meals), so receives a top-up of \$250.

## JobKeeper top up payment

The Government intends that the employer should retain its workforce through the payment of taxable income, reported via Single Touch Payroll.

For those employers not reporting through STP, this is a perfect time to transition. For those employers reporting through STP, the payments to employees are intended to be continuous, unless the employee becomes ineligible or is terminated.

The JobKeeper payment will maintain that employment relationship for those eligible employees who are:

- still working – their usual hours, or reduced hours
- on paid absences (not including the excluded GPPL/WC absences to the left)
- unpaid absences
- stood down
- terminated since 1 March 2020 but have been rehired

Although commencement and cessation dates are reported via STP, it is not a mandatory field (but if you record it, you must report it) and the ATO cannot have insights into the work circumstances of employees.

The JobKeeper payment is a minimum amount of \$1,500 per fortnight that does not take into consideration work effort, skill levels, qualifications, seniority or any other factor for which employment payments may consider.

It applies equitably to all employees, regardless of these factors. Some employees may receive no additional top-up as they are paid in excess of these amounts.

Others may only see a small top-up, whilst some may see a substantial increase in their pay. Some employees will work to receive the top-up, others will still be absent or stood down. It cannot apply to terminated employees.

The top-up payment must be passed onto the employee and this will be visible in the STP Pay Event reports. The first month of operation may see some retroactive or out of cycle payments to "catch up" once the details of the JobKeeper payment are known by employers.

However, continuity of payment for those eligible employees is expected, unless their circumstances change to exclude them from eligibility that must be advised through the reporting of the JobKeeper Finish Fortnight.

It is vitally important that these payments are made to employees and reported via STP to ensure the success of the JobKeeper payment for the benefit of Australia's economy.

## JobKeeper start fortnight

Each employer's payroll arrangements may be different, and employees may enter, or exit pay periods at different times. Some workers may be on workers' compensation absences and only return to work sometime after the start of the JobKeeper payment.

There is no way for the ATO to know these employee-specific arrangements, so the JobKeeper Start Fortnight is required to inform the ATO from which fortnight the subsidy is to be reimbursed.

For Example:

- A monthly paid (payday 20<sup>th</sup>) employee becomes eligible for the JobKeeper payment on 23/04
- The employee is paid \$1,200 for the month (reported as INB Gross)
- By reporting Other allowance with description: **JOBKEEPER-TOPUP** for \$300, this informs the ATO that the Gross of \$1,200 plus the top-up of \$300 is only \$1,500 for the month.
- This may appear as if the employer has not passed on the full \$3,000 of the JobKeeper payment for this eligible employee, however, the employer also reports:
- Other Allowance with description: **JOBKEEPER-START-FN02** for 0.00 (another minimal figure is permitted if software doesn't allow a 0.00, however, reversals are discouraged).
- This alerts the ATO that the eligibility applies from the 2<sup>nd</sup> fortnight and only \$1,500 is reimbursed and the employer has passed on the full top-up to the employee

The **JOBKEEPER-START-FNXX** codes are:

FN	Dates	Allowance description
01	30/03/2020-12/04/2020	JOBKEEPER-START-FN01
02	13/04/2020-26/04/2020	JOBKEEPER-START-FN02
03	27/04/2020-10/05/2020	JOBKEEPER-START-FN03
04	11/05/2020-24/05/2020	JOBKEEPER-START-FN04
05	25/05/2020-07/06/2020	JOBKEEPER-START-FN05
06	08/06/2020-21/06/2020	JOBKEEPER-START-FN06
07	22/06/2020-05/07/2020	JOBKEEPER-START-FN07
08	06/07/2020-19/07/2020	JOBKEEPER-START-FN08
09	20/07/2020-02/08/2020	JOBKEEPER-START-FN09
10	03/08/2020-16/08/2020	JOBKEEPER-START-FN10
11	17/08/2020-30/08/2020	JOBKEEPER-START-FN11
12	31/08/2020-13/09/2020	JOBKEEPER-START-FN12
13	14/09/2020-27/09/2020	JOBKEEPER-START-FN13

## JobKeeper finish fortnight

As for the JobKeeper Start Fortnight, the ATO must be informed when the employee is no longer eligible for the JobKeeper payment. The ineligibility may be due to:

- Workers' compensation absence
- Cessation of employment
- Change of citizenship, visa, personal circumstances

The ATO must be informed of the fortnight from which the JobKeeper payment no longer applies. The JobKeeper Finish Fortnight may be reported once or continue to be reported in subsequent Pay Events but must not be forward-dated.

For Example:

- A weekly paid (Thursday) employee becomes ineligible for the JobKeeper payment on 13/07
- The employee is paid \$560 for the month of July (reported as INB Gross)
- The employer has also reported Other allowances with descriptions:
- **JOBKEEPER-START-FN01** for 0.00
- **JOBKEEPER-FINISH-FN09** for 0.00
- By reporting Other allowance with description: **JOBKEEPER-TOPUP** for \$940 (new financial year YTD amount), this informs the ATO that the Gross of \$560 plus the top-up of \$940 is only \$1,500 for the month
- This may have appeared as if the employer had not passed on the full \$3,000 of the JobKeeper payment for this eligible employee, if not for reporting the **full fortnight** when the employee is ineligible for the JobKeeper payment
- This alerts the ATO that the eligibility applied from the 1<sup>st</sup> fortnight of JobKeeper and no longer applies from the 8<sup>th</sup> fortnight, and only \$1,500 is reimbursed and the employer has passed on the full top-up to the employee

The **JOBKEEPER-FINISH-FNXX** codes are:

FN	Dates	Allowance description
01	30/03/2020-12/04/2020	JOBKEEPER-FINISH-FN01
02	13/04/2020-26/04/2020	JOBKEEPER-FINISH-FN02
03	27/04/2020-10/05/2020	JOBKEEPER-FINISH-FN03
04	11/05/2020-24/05/2020	JOBKEEPER-FINISH-FN04
05	25/05/2020-07/06/2020	JOBKEEPER-FINISH-FN05
06	08/06/2020-21/06/2020	JOBKEEPER-FINISH-FN06
07	22/06/2020-05/07/2020	JOBKEEPER-FINISH-FN07
08	06/07/2020-19/07/2020	JOBKEEPER-FINISH-FN08
09	20/07/2020-02/08/2020	JOBKEEPER-FINISH-FN09
10	03/08/2020-16/08/2020	JOBKEEPER-FINISH-FN10
11	17/08/2020-30/08/2020	JOBKEEPER-FINISH-FN11
12	31/08/2020-13/09/2020	JOBKEEPER-FINISH-FN12
13	14/09/2020-27/09/2020	JOBKEEPER-FINISH-FN13

## JobKeeper corrections

The ATO acknowledges that sometimes mistakes are made in payroll that must be corrected. Given the swift timing of delivering the JobKeeper solution, it is possible for a range of corrections required:

### JobKeeper payments

During the transition month of April 2020, there is flexibility for retroactive payments and “catch-up” to comply with the minimum \$1,500/FN payment to be eligible for reimbursements.

If the employer has paid the \$1,500/FN by 30 April 2020, but not used the specific **JOBKEEPER-TOPUP** Other Allowance for those employees who were paid less than the \$1,500/FN and received a JobKeeper top-up payment, then the usual correction processes must occur to “reclassify” the top-up payments to the required format. However, this correction must occur before 1 May. The corrections process may be via the next regular pay before 1 May, an out-of-cycle payment before 1 May or via manual corrections and an update action before 1 May.

After the transition month, there is no provision for retrospective payments to meet the minimum \$1,500/FN. The payment must be made in a payday in the JobKeeper fixed fortnights to qualify for reimbursement.

## JobKeeper start fortnight

There are several scenarios that may need correction with respect to the JobKeeper Start Fortnight:

- **Wrong employee** – if the wrong employee was reported as eligible via the use of the **JOBKEEPER-START-FNXX**, then cancel this employee from eligibility via the use of matching **JOBKEEPER-FINISH-FNXX** where the “XX” fortnights are the same (cancellation via matching start/finish fortnights)
- **Incorrect start FN (later)** – if a later start fortnight is incorrectly reported, report an additional earlier start fortnight. ATO will assume the earliest start fortnight is relevant where no unmatched finish fortnight is reported. For example: reported **JOBKEEPER-START-FN02** but should have been **JOBKEEPER-START-FN01**
- **Incorrect start FN (earlier)** – if an earlier start fortnight is incorrectly reported, cancel this entry via a matching finish fortnight (cancellation via matching start/finish fortnights) and report an additional later start fortnight
- **Future-dated start FN** – if the JobKeeper start fortnight is greater than the STP Pay Event Pay/Update Date field, then it will be ignored, as if not reported. It will only become valid in the matching JobKeeper fixed fortnight that applies. Do not cancel or otherwise attempt to correct this invalid entry.

This design does not support multiple corrections, so extreme caution should be taken to ensure accuracy of originally reported JobKeeper data. This critical detail is used to determine reimbursement to the employer.

## JobKeeper finish fortnight

There are several scenarios that may need correction with respect to the JobKeeper Finish Fortnight:

- **Wrong employee** – if the wrong employee was reported as becoming ineligible via the use of the **JOBKEEPER-FINISH-FNXX**, then cancel this ineligibility via the use of matching **JOBKEEPER-START-FNXX** where the “XX” fortnights are the same (cancellation via matching start/finish fortnights)
- **Incorrect finish FN (later)** – if a later finish fortnight is incorrectly reported, report an additional earlier finish fortnight. ATO will assume the earliest finish fortnight is relevant where no unmatched start fortnight is reported. For example: reported **JOBKEEPER-FINISH-FN06** but should have been **JOBKEEPER-START-FN05**
- **Incorrect finish FN (earlier)** – if an earlier finish fortnight is incorrectly reported, cancel this entry via a matching start fortnight (cancellation via matching start/finish fortnights) and report an additional later finish fortnight
- **Future-dated finish FN** – if the JobKeeper finish fortnight is greater than the STP Pay Event Pay/Update Date field, then this will assist to inform the ATO that the period reported is the final pay to be claimed, as the employee becomes ineligible in the **following** fortnight. This is the required timing to report cessation of the JobKeeper payment – in the preceding fortnight, during the final JobKeeper eligible fortnight. Finish fortnights greater than the next JobKeeper fortnight are ignored. For example, an employee who becomes ineligible on 30/06/2020 will be reported in the pay period covering that JobKeeper fortnight (FN07) with **JOBKEEPER-FINISH-FN08**, as the employee may be terminated and not be included in future STP reports.

The correction options for the JobKeeper payment are limited, given the use of the only STP Pay Event field that can be used for this purpose: Other Allowance Type description field.

No other existing PAYEVNT.2018 field allows for the capture of this data without delay. Extreme caution should be taken by employers to ensure that validation and reconciliation processes are strong enough to warrant confidence in the initially reported data.

## Reporting of zero amounts

Some payroll software will support reporting of zero YTD amounts in the Pay Event. The JobKeeper Start and Finish Fortnights should report amounts as zero, as the description has the relevance for JobKeeper payments.

However, some software does not support reporting of zero YTD amounts and will remove them from the XML payload. If that is the case, then report an amount of 0.01 instead.