

JobKeeper 2.0 turnover test relaxed

As hoped when JobKeeper 2.0 was first announced, the Government has relaxed the turnover test for employer eligibility. It has also announced that the start date for eligible employees will be moved from the current 1st March date to 1st July.



Almost certainly a result of the deteriorating situation in Victoria, the Government has thankfully removed the requirement that an employer be able to demonstrate a 30% or more decline in turnover for successive periods (50% for those with turnover greater than \$1 billion, 15% for certain eligible charities). This provision meant that in order to receive JobKeeper for the December 2020 quarter, the decline in turnover test had to be met for both the June and September quarters. Likewise for March 2021, the turnover test had to be met for the June, September and December 2020 quarters.

We flagged in our [previous edition](#) that this seemed arbitrary and would be unnecessarily punitive for businesses whose fortunes were declining now, despite having seen an uptick in the June quarter. The revised test now requires only that the turnover decline test be met for the previous quarter. That is, for the December 2020 quarter, the relevant decline in turnover must be demonstrated for the September quarter only. For the March 2021 quarter, there need only be a sufficient decline for the December 2020 quarter to be eligible. All tests are relative to the same comparative period in the previous year, unless an alternative turnover test applies.

In addition, the relevant date for having employees on the books has been moved to 1st July. This means that, providing employees meet the other relevant eligibility criteria, permanent staff taken on between 1st March and 1st July 2020 will now be eligible to receive a JobKeeper payment. Note that this also means that some long term-casual employees that may have been ineligible for JobKeeper, on the basis that they had not been employed for a continuous 12 month period before 1st March, may now be eligible for jobKeeper, if they have been employed for the 12 months prior to 1st July (i.e. their start date is somewhere between 1st March and 1st July 2019). If your business is eligible for JobKeeper in the December quarter, a review of the eligibility of any casual employees may also be in order.

The [previously announced](#) drop in the JobKeeper payment rate, and the introduction of a second tier for part-time employees, will still proceed as announced.

The details of the revisions were provided in a treasury [fact sheet](#) that was released today.

This is a case where sanity has prevailed, and the Government has thankfully listened to the intense lobbying of various industry groups (as well as the pleas of the Victorian State Government, no doubt). This should result in assistance going to those who need it most, and especially those having to return to lock down conditions for a second time.

If you would like to discuss your circumstances further, or have any other questions, please [contact us](#) for further information or assistance.

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