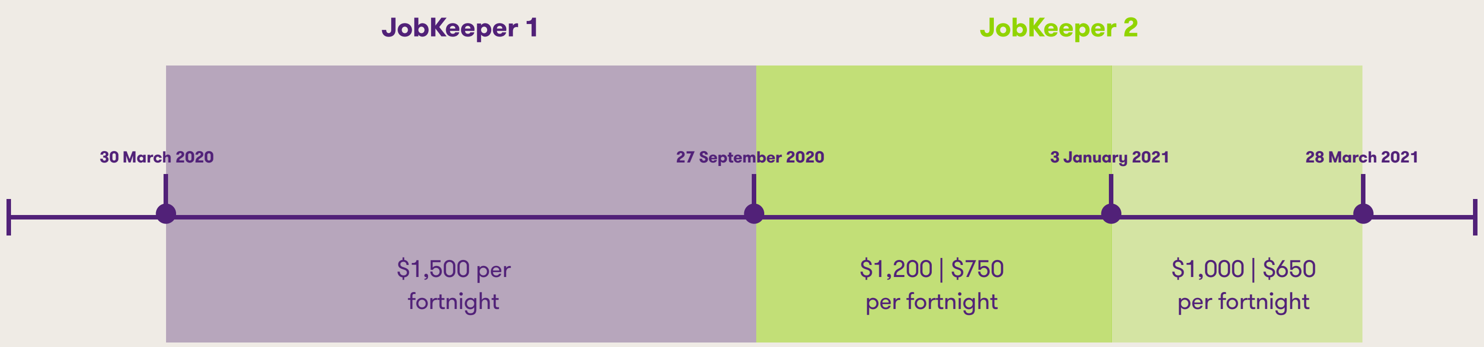
JobKeeper 2.0 Fact Sheet Golf Australia

September 2020

Overview

- The JobKeeper scheme has been extended from 28 September 2020 until 28 March 2021, in two further stages.
- JobKeeper 2.0 will see a reduction in the fortnightly payment with the introduction of a two tiered payment approach depending on hours worked.
- Eligibility for JobKeeper 2.0 will be based on actual GST turnover rather than projected GST turnover as with the original JobKeeper. You will need to re-test employer eligibility each quarter
- Employers that were eligible for JobKeeper 1.0 may be able access ongoing flexibility in the Fair Work Act if they obtain a 10% decline in turnover certificate.



	JobKeeper 1	JobKeeper 2.0 - Stage 1	JobKeeper 2.0 - Stage 2
Period	28 March 2020 to 27 September 2020	28 September 2020 to 3 January 2021	4 January 2021 to 28 March 2021
Employee Payment Rates	$1,500 per fortnight for all eligible employees	$1,200 per fortnight - Tier 1 Rate $750 per fortnight - Tier 2 Rate	$1,000 per fortnight - Tier 1 Rate $650 per fortnight - Tier 2 Rate
Decline in turnover testing	**Projected decline in turnover test for:** • A month from March to September 2020 or • The June or September Quarter.	Actual decline in turnover for the September 2020 quarter (compared to September 2019 quarter)	Actual decline in turnover for the December 2020 quarter (compared to December 2019 quarter)
Required decline in turnover percentage	**Rate of decline in GST turnover:** • 15% - registered charity • 30% - employer less than $1 billion aggregated turnover • 50% - employer with greater than $1 billion in aggregated turnover	No change	No change

Employer Eligibility

Summary

- The decline in turnover test is now based on actual GST turnover, rather than projected GST turnover in JobKeeper 1.0.
- Employers should be looking to prepare their September 2020 Business Activity Statement as soon as possible.
- There is a requirement to re-test employer eligibility for both stage 1 and stage 2 of JobKeeper 2.0.
- You do not need to re-enrol for JobKeeper 2.0 if you are already enrolled for JobKeeper for fortnights before 28 September 2020.

Employer Eligibility

Employers may be eligible for the JobKeeper Payment Scheme if all of the following apply:

1. On 1 March 2020, you ran a business in Australia;
2. You employed at least one eligible employee during the JobKeeper fortnight you are applying for. This includes employees who are stood down or re-hired;
3. Your business satisfies the
   a **Original decline in turnover test;** and
   a **Actual decline in turnover test** (in most cases, you will pass the original decline in turnover test by passing the new actual decline in turnover test).

a Your business is not one of the **ineligible employer** categories.

JobKeeper 2.0 - Stage 1	JobKeeper 2.0 - Stage 2
To claim JobKeeper payments under stage 1, the employer needs to demonstrate that its actual GST turnover fell in the September 2020 quarter by 30% relative to the September 2019 quarter.	To claim JobKeeper payments under stage 2, the employer needs to demonstrate that its actual GST turnover fell in the December 2020 quarter by 30% relative to the December 2019 quarter.

The ATO has released alternative decline in turnover tests where your relevant 2019 comparison period may not be appropriate in calculating your decline in turnover. These are summarised on pages 8 and 9.

GST Turnover

The decline in turnover test is based on actual GST turnover. The employer's GST registration status will determine the method of measuring actual GST turnover to be included in the decline in turnover test for JobKeeper 2.0.

Registration	Method of measuring actual GST turnover
GST Registered – Cash Basis	Cash basis
GST Registered – Accruals Basis	Earlier of invoice or any payment
Not GST Registered	Optional – but must be consistent
Changes in GST Registration Status	Adopt consistent comparison method – first accounting basis that applied to you

Employee Eligibility

Summary

- JobKeeper 2.0 will see a two-tier payment system depending on employee eligibility.
- The number of hours worked in the reference period will determine each employee's JobKeeper payment rate.
- Reference period hour calculations will depend on the pay period cycles of the employer (Weekly, Fortnightly, Monthly).
- Special rules have been flagged by the ATO to address atypical work hours. Further details are yet to be released.
- Employers must meet the wage conditions for each employee in each fortnight.
- Employers must notify the ATO of each employee's JobKeeper pay rate for fortnights from 28 September 2020 to be eligible.
- Employers must notify employees of the applicable JobKeeper pay rate within 7 days after ATO notification.
- Employers must maintain records for each employee (including evidence of employee hours for the relevant reference period) on file in event of future ATO audit.

Currently enrolled in JobKeeper	New Entrant to JobKeeper (ATO link here)
You do not have to reassess employee eligibility as you are already claiming JobKeeper payments for employees for fortnights before 28 September 2020.	• Are currently employed (including employees stood down or terminated but have been re-hired); • On 1 March or 1 July the employee was: – employed as full time, part-time or long-term casual (casual employees must be employed on a regular and systematic basis for longer than 12 months) and not a permanent employee of any other employer; – aged 18 years or older (and if 16 or 17 years, was independent or not undertaking full time study); – an Australian citizen, the holder of a permanent visa, or a Special Category (Subclass 444) Visa; • Was not in receipt of government parental leave, Dad and partner pay, or payment in accordance with Australian worker compensation law for total incapacity for work during the JobKeeper fortnight.; • Has not given another employer a nomination notice at any time (there are limited exceptions to this).

Reference period

The reference period for employees is the 28-day period ending at the end of the most recent pay cycle for the employee before 1 March 2020 or 1 July 2020.

Where the relevant pay cycle for an employee is longer than the 28 day reference period (such as a monthly pay cycle) then a pro-rated calculation is used to determine the applicable hours of the longer pay cycle that are attributable to the 28 day period.

You can test each employee against either reference period. You can rely on the more favourable reference period on an employee-by-employee basis.

If an employee works 80 hours or more over the reference period, they are eligible for the higher Tier 1 payments for stage 1 and stage 2 of JobKeeper 2.0. If an employee works less than 80 hours for the reference period, they will be eligible for the lower Tier 2 payments.

Wage condition

The employer satisfies the wage condition in respect of an employee for a fortnight if the sum of the following amounts equals or exceeds the JobKeeper payment received for that employee:

- Amounts paid to the employee as salary, wages, commission, bonuses or allowances;
- Amounts withheld under PAYG withholding;
- Salary sacrificed superannuation contributions paid; and
- Other salary sacrificed amounts that reduce the employee's salary, wages, commissions, bonuses or allowances.

Where an employer's pay period is longer than a fortnight (monthly pay cycles), those payments can be allocated to one or more fortnights in a "reasonable manner" for the purposes of the wage condition.

For JobKeeper fortnights starting on 28 September and 12 October only, employers have until 31 October 2020 to meet the wage condition.

Alternative Decline in Turnover Tests

As with the original JobKeeper, the Commissioner has now released alternative decline in turnover tests for JobKeeper 2.0.

Under the basic decline turnover test the test and comparison periods are as follows:

JobKeeper Fortnights	2020 Test period	2019 Comparison period
Commencing 28 September 2020	September 2020 Quarter	September 2019 Quarter
Commencing 4 January 2020	December 2020 Quarter	December 2019 Quarter

When relying on the alternative tests, you still need to use the same 2020 test period as the basis for the decline in turnover calculation. No alternative test will allow you to change this part of the calculation.

Test	Details
Business has an irregular turnover	An entity that has a large irregular variance in their current GST turnover in the 12 months before the 2020 test period. If this is the case the 2019 comparison period may be outside the ordinary business setting and therefore not appropriate. An entity that has cyclical turnover (e.g. regular seasonal variances) will not be able to apply this alternative test.
Disposals, acquisitions and restructures	Applicable if an entity has undertaken a large change in their business (disposal, acquisition or restructure) which has resulted in a substantial change in the usual business setting. If the acquisition or disposal made by your entity did not impact the business in a way that changed its current GST turnover, they you cannot use this test. A restructure could include a restructure of your business operations. For example, opening a new restaurant or café at the clubhouse.
Entity effected by drought or other natural disaster	Applicable if an entity has been affected by a drought or another natural disaster in the relevant 2019 comparison period. Where an entity was affected by such droughts or other natural disasters, those circumstances are outside the ordinary business setting. Therefore, making the relevant comparison period in 2019 inappropriate.
Business commenced	Applicable only if the business has commenced after the start of the comparison period.
Entity had a substantial increase in turnover	If the golf club has experienced a substantial increase in the current GST turnover over in the last 12 months that renders that September (or December) comparison period inappropriate, it may be able to use a more recent comparison period.
Sole trader or small partnership with sickness, injury or leave	Applicable when a sole trader or a partner was not working for all or part of that period due to sickness, injury or leave and this impacted GST turnover.

The above table is a summary of each alternative test. Each golf club would need to consider their individual circumstances as to whether the alternative tests might apply. Further detail on the alternative tests can be found **here.**

Frequently Asked Questions

When do we need to apply for JobKeeper 2.0?

The enrolment process for JobKeeper 2.0 will depend on whether the employer is currently enrolled in the JobKeeper program or if they will be a new entrant to the scheme.

- You do not need to re-enrol for JobKeeper 2.0 if you are already enrolled for JobKeeper for the fortnights before 28 September 2020.
- New entrants can enrol for JobKeeper until the program closes, provided they meet the eligibility requirements. Broadly, you are required to enrol before the end of the month in which you intend to start claiming JobKeeper. E.g. If you intend to enrol for the October 2020 fortnights, you must enrol before 31 October 2020.

New entrants will need to complete employee identification by the end of the month they are applying for JobKeeper, which includes:

- Issuing employee nomination forms (Employee Nomination);
- Complete an STP ("Single Touch Payroll") submission, notifying the ATO of eligible employees' and
- Completing the employee identification on the business portal (this will be prefilled based on the STP submission)

Further details on reporting requirements can be found here:

- Employers reporting through STP
- Employers not reporting through STP

I pay my employee $1,100 per fortnight before tax, plus I contribute $104.50 of superannuation per fortnight to meet super guarantee obligations. Does this qualify for the minimum $1,200 payment?

No. The minimum $1,200 does not include the amount you contribute as super to meet your super guarantee obligations. However, it does include super contributions made under a salary sacrifice arrangement.

Are there any alternative decline in turnover tests to address lumpy income for JobKeeper 2.0?

Yes. The alternative decline in turnover tests are available where the 2019 comparison period is inappropriate to compare actual GST turnover. The alternative tests do not allow you to change the 2020 test period.

Each golf club will need to consider their circumstances as to whether it is appropriate to apply any of the available alternative decline in turnover tests. Further detail on these tests can be found **here.**

If I don't apply for JobKeeper 2.0 for the December 2020 quarter fortnights, do I automatically miss out on JobKeeper 2.0 for the March 2021 quarter fortnights too?

No. If you are not eligible for stage 1 of JobKeeper 2.0 (being the 28 September 2020 to 3 January 2021), you are able to reconsider your eligibility for stage 2 (being 4 January 2021 to 28 March 2021). It is also worth noting, if you apply for stage 1 (September 2020 quarter actual decline), there is still the requirement to re-test employer eligibility for stage 2 (December 2020 quarter actual decline).

We receive all of our annual Membership Subscriptions in the September 2020 quarter. Because we amortise/ record Membership Subscription revenue as revenue received in advanced for accounting purposes, can we only include 3 months' worth of annual Membership Subscriptions in the September 2020 decline in turnover calculation?

In the original JobKeeper, there was the ability in some circumstances for employers to calculate their turnover based on when their accounting records recognised their income (as a proxy for GST turnover). So if you amortised your annual Membership Subscription income, your accounting recognition of income for the period could determine your turnover for JobKeeper (refer to **LCR 2020/1**). Under JobKeeper 2.0, this is no longer available as an option. The decline in turnover test is based on Actual GST turnover.

We note that you cannot now go back retrospectively to use accounting records of recognising income (as a proxy for GST turnover) for the original JobKeeper fortnights.

Your actual GST turnover will depend on your GST registration (refer to GST Turnover table within Employer Eligibility above). Essentially, your recognition of income for JobKeeper purposes should line up with your lodged Business Activity Statement.

It is also worth considering the timing of tax invoices raised. If the annual Membership Subscription tax invoices were dated in June, then for an accruals based GST registration, the income would be included in the June quarter rather than September. See detail on elements to a tax invoice **here**. An annual membership renewal notice is only a tax invoice if all of the elements of a tax invoice are included on the renewal notice.

If you believe you have reported your income on the wrong Business Activity Statement you may be able to correct a previous mistake where it relates to an amount that was incorrect at the time of lodgement. This would be applicable if you need to correct revenue recognition for GST purposes. Advice should be sought in determining whether an amendment to a Business Activity Statement should be made.

You should not amend a Business Activity Statement in order to be eligible for JobKeeper if the amended lodgement does not accurately reflect your GST turnover.

Will my JobKeeper claim be audited by the ATO?

The ATO has been clear that they will be auditing JobKeeper participants from a wide range of businesses and industries to confirm their eligibility for the program. There is a reasonable chance golf clubs will be subject to ATO audit simply by participating in the JobKeeper program.

Some businesses have considered amending lodged Business Activity Statements in order to claim JobKeeper. This would increase the chance of audit. Given this, you should carefully consider making any amendments to lodged Business Activity Statements. We recommend seeking advice from your tax advisor where appropriate.

What happens if my turnover calculations are incorrect, I misinterpreted the eligibility criteria, did not lodge one of the required forms or made an error in my monthly declaration?

Per above, the ATO has been clear that they will audit JobKeeper payments and confirm eligibility. If organisations have submitted incorrect figures, they will be expected to pay back the full amount received plus penalties. It is the responsibility of the Board and management to ensure compliance. Grant Thornton can support this by identifying potential risk, providing information to make sound commercial decisions, and in managing this process with confidence.

See **here** for further details on how Grant Thornton's "JobKeeper Assurance" can help your golf club.

Do I need to have applied for the original JobKeeper to be eligible for JobKeeper 2.0

No. You can be a new entrant to the JobKeeper program for JobKeeper 2.0. The requirement is based on employer and employee eligibility. This can be assessed at any time until JobKeeper closes in March 2021.

What do I need to keep on record to prove the golf club and the employees were eligible?

JobKeeper documentation will be critical in the event of an ATO audit. Having complete and coherent documentation, support and calculations on file in advance of any potential audit is best practice. It is vital not to wait until an audit to begin preparing calculations and collating documentation.

You will be required to demonstrate employer and employee eligibility. You should have (at a minimum) the follow on file:

- Records of turnover for the period in which you became eligible for JobKeeper. Including invoices and cash records for all revenue streams included in the decline in turnover calculation.
- Calculations of the actual decline in turnover compared to the September and/ or December quarters in 2019.
- Records of eligible employee hours for the relevant reference period to determine JobKeeper pay rates.
- Calculations of any reference period apportionment to a 28-day period.
- Copies of documents, forms and notifications to the ATO and employees where required.

Can you have employees on different JobKeeper rates? Or do all employees need to be on the same rate?

Yes. You can assess each employee against either reference period. You are not required to use the same reference period for every employee.

What is the 10% decline in turnover test and who can issue a certificate?

Employers that previously qualified for JobKeeper 1.0 but do not qualify for JobKeeper 2.0 can issue directions to certain employees under Fair Work legislation (for example, to reduce their working hours – further detail **here**). Although these employers may no longer be able to apply for the JobKeeper payments as part of JobKeeper 2.0, they can continue to rely on the Fair Work legislation if they can demonstrate a 10% or great decline in turnover and obtain a certificate from a qualified accountant or registered tax or BAS agent.

A small business employer (with fewer than 15 employees) may be able to have an authorised individual with knowledge of its financial affairs make a statutory declaration that the 10% decline in turnover occurred for the relevant quarter.

Golf Club Examples

Example 1 – Employer starts participating in JobKeeper scheme for JobKeeper 2.0

Please note that this example has been modified from the Coronavirus Economic Response Package (Payments and Benefits) Amendment Rules (No. 8) 2020 – Explanatory Statement, to address specific circumstances relating to golf clubs around Australia.

Pine Vale Golf Club did not participate in the original JobKeeper program, as they did not expect to have a substantial decline in turnover between March 2020 and September 2020.

However, in August and September 2020 Pine Vale experienced a decline in its GST turnover due to the continued COVID-19 lockdowns.

Pine Vale considered their September 2020 quarter actual GST turnover against their September 2019 GST turnover:

Revenue	September 2020 Qtr.	September 2019 Qtr.
Membership Subscriptions	$818,000	$825,000
Visitor Fees	$40,000	$165,000
Golf Shop	$64,000	$210,000
Entrance Fees	$110,000	$120,500
Food & Beverage	$143,000	$514,000
Total Revenue	$1,175,000	$1,834,500

Although the annual Membership Subscriptions and Entrance Fees received in July 2020 have continued in line with prior years, Pine Vale has experienced a dramatic decrease in turnover across its other revenue streams. This appears to be largely due to the extended COVID-19 lockdowns in Victoria.

As Pine Vale has not previously participated in the JobKeeper scheme, they must assess both:

The original decline in turnover test – Pine Vale's projected decline in turnover for the September 2020 quarter is greater than 30%. And;

The new actual decline in turnover test – Pine Vale experienced an actual decline in GST turnover for the September 2020 quarter compared to September 2019 greater than 30%.

Pine Vale's actual decline in turnover from the September 2019 quarter to the September 2020 quarter is 36%.

Subject to meeting the other qualifying requirements (including notification and election requirements) and eligibility conditions for its employees, Pine Vale qualifies for the JobKeeper payment for the JobKeeper fortnights beginning on and after 28 September 2020.

Pine Vale cannot qualify for the previous JobKeeper 1 fortnights between 30 March and 27 September 2020 because it had not previously elected to participate in the scheme.

Pine Vale will need to reassess its actual decline in turnover with reference to the quarter ended 31 December 2020 to participate in stage 2 of JobKeeper 2.0.

Example 2 – requalifying for the JobKeeper scheme during the JobKeeper extension period

Please note that this example has been modified from the Coronavirus Economic Response Package (Payments and Benefits) Amendment Rules (No. 8) 2020 – Explanatory Statement, to address specific circumstances relating to golf clubs around Australia.

Surf Coast Hills Golf Club ("SCHGC") had been receiving JobKeeper payment since the commencement of the JobKeeper scheme from the fortnight beginning 30 March 2020.

SCHGC is now considering its eligibility for JobKeeper 2.0 and the quarter ended 30 September 2020. Annual Membership Subscriptions are traditionally received in July each year. This has been the case for 2020. Annual Membership Subscriptions make up the majority of the annual revenue for the golf club.

Revenue	September 2020 Qtr.	September 2019 Qtr.
Membership Subscriptions	$666,000	$650,000
Visitor Fees	$80,000	$160,000
Golf Shop	$6,000	$15,000
Entrance Fees	$3,400	$11,500
Food & Beverage	$15,000	$100,000
Total Revenue	$770,400	$936,500

SCHGC has experienced a substantial decline in turnover for all revenue streams except Membership Subscriptions, which have remained stable.

Unfortunately, for SCHGC, receiving annual Membership Subscriptions all within the September 2020 quarter has diluted the decline in turnover for its other revenue streams and as a result, the decline in turnover is less than the required 30%.

SCHGC could then consider whether any of the Commissioner's alternative decline in turnover tests would assist. If applicable, the alternative decline in turnover tests may allow a business to apply a different comparison period. The alternative tests do not in any instance change the 2020 quarter from being the base test period.

Although SCHGC are not eligible for the first stage of JobKeeper 2.0, they can consider their eligibility (actual decline in turnover for December 2020), employee eligibility, and payment rates for stage 2 of JobKeeper 2.0, being fortnights between 4 January 2021 and 28 March 2021.

Example 3 – working out hours over the reference periods

Please note that this example has been modified from the Coronavirus Economic Response Package (Payments and Benefits) Amendment Rules (No. 8) 2020 – Explanatory Statement, to address specific circumstances relating to golf clubs around Australia.

Emma has been employed by a golf club on a permanent part-time basis as a pro-shop sales assistant since 2018. Her standard working hours prior to the impact of COVID-19 were 15 hours per week. However, most weeks, she worked some further paid hours at her employer's request depending on the availability of other staff in the pro-shop. The golf club's pay cycles are on the 15th of every month.

The golf club (employer) has determined they are eligible for JobKeeper 2.0 and will need to determine what payment rate Emma will be eligible for in JobKeeper 2.0.

- Using the 28-day period ending at the end of the most recent pay cycle before 1 March 2020 – the relevant monthly pay cycle would be the 16 January to 15 February 2020 (31 days). During this period, Emma worked 60 hours and took 10 hours of annual leave, combining for a total of 70 hours worked (for JobKeeper reference period purposes) in this 31-day period. Given this is under 80 hours, there is no need to pro-rata Emma's hours for this reference period. Based on this reference period, Emma would be eligible for the lower Tier 2 payment rate.
- Using the 28-day reference period ending at the end of the most recent pay cycle before 1 July 2020 – the relevant monthly pay cycle would be 16 May 2020 to 15 June 2020 (31 Days). During this period, Emma worked 91 hours (including annual leave). For the purposes of the JobKeeper payment, Emma's hours of work (pro-rated) for this reference period is 82.19.

This is calculated as follows:

28 day reference period / 31 days in June 2020 monthly pay cycle * number of hours worked (including paid leave) in reference period

= (28 / 31) * 91

= 82.19 Hours

Under the two reference periods, the golf club qualifies for JobKeeper payments in respect to Emma based on the most beneficial reference period - 1 July 2020. Emma's JobKeeper payment rate will be in line with the higher Tier 1 amounts.

The golf club will need to notify the Commissioner in the approved form of relevant information, including eligible employees and the rate for which they are eligible to receive JobKeeper payments in respect of their employees. The requirement for qualifying employers to notify the Commissioner of the relevant rate for an employee applies for JobKeeper fortnights beginning on or after 28 September 2020.

The golf club will need to notify Emma of the applicable JobKeeper rate within 7 days of notifying the Commissioner.

There is no requirement for the golf club to notify the Commissioner of employee payment rates again for Stage 2 of JobKeeper 2.0 should the golf club be eligible for stage 2 – starting 4 January 2021.

The golf club will keep all records and calculations involved in determining Emma's JobKeeper 2.0 payment rate on file. It would be expected that all calculations and documentation could be produced in the event of a future ATO audit.

The above JobKeeper 2.0 fact sheet, examples and frequently asked questions are a summary of factual information in regards to the JobKeeper 2.0 Rules. This document is for general use only and should not be relied upon or taken to constitute advice. Further, it is based on available information, which is subject to change. This document is not a comprehensive list of all the required eligibility criteria and should not be solely relied upon in determining eligibility for the JobKeeper 2.0 scheme.

Updated 23 September 2020