

JobKeeper Payment Scheme Fact Sheet – Not For Profit Entities

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JobKeeper Payment Scheme

Not For Profit Entities

The purpose of this Fact Sheet is to enable you to make a **quick assessment** of your eligibility for the Government's JobKeeper Payment Scheme. It is not a comprehensive guide as the rules are quite complex. If, after you have examined the information in this Fact Sheet and believe that you may be eligible, please **contact us immediately** so we may assist you further.

The JobKeeper Payment scheme was announced on 30 March 2020 by the Prime Minister and the Treasurer. The purpose of the scheme is to keep people employed even though their employer has suffered a downturn or close down for a temporary period.

Not For Profit (NFP) entities impacted by COVID-19 will be able to access a **wage subsidy** from the Government to assist in continuing to pay their employees. Eligible employers will be able to claim a fortnightly payment of **\$1500** per eligible employee from 30 March 2020, for a maximum period of **6 months**. The Scheme will run from Monday 30 March 2020 to Sunday 27 September 2020.

IMPORTANT: Urgent Action Required by 31 May 2020

If you believe you are eligible *from the 30 March*, you need to act **now!**

Employers **must elect** to take part in the JobKeeper scheme. It is not mandatory for eligible employers to participate.

Is your entity eligible?

An employer is entitled to the JobKeeper payment in respect of an individual (an employee) in relation to a fortnight if it meets seven conditions.

Condition 1

- on 1 March 2020, you **pursued your activities principally** in Australia or;
- were a public fund (registered as a DGR) providing developing country relief, and
- you satisfy the **decline in turnover** test

Decline in turnover test

The decline in turnover test for this purpose is calculated on the same basis as it is for GST purposes. The decline in turnover test operates by comparing:

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- your turnover for a turnover test period; with
- your turnover for a relevant comparison period

For example, you can compare either:

- your actual turnover for the month of March 2020 with March 2019; or
- your projected turnover for the June 2020 quarter with the June 2019 quarter.

NFP 's that are universities will be required to test for a six month period beginning 1 January 2020 under modified rules. ACNC Registered Charities also have modified rules in relation to supplies made to Australian Government agencies.

The Rules modify how GST Turnover is measured.

Certain donations that ACNC-registered charities and deductible gift recipients (DGRs) receive or are likely to receive (including the non-monetary value of gifts) are also included in the calculation to work out the GST turnover of these entities. This ensures that the decline in turnover test can apply appropriately to ACNC-registered charities and DGRs which may not make supplies for GST purposes or only limited supplies. This means that when such ACNC-registered charities or DGRs have a significant decline in donations they may qualify for the Scheme.

DGR's are required to include gifts received or likely to be received that are tax deductible to the donor. ACNC-registered charities that are not DGRs must instead include gifts received or likely to be received that are made by way of monetary donations, property with a value of more than \$5000 and listed Australian shares.

If an entity does not meet the decline in turnover test on 30 March 2020, but does so at a later time, the entity will become eligible for the JobKeeper payment from that later time. The JobKeeper payment is not backdated to 30 March 2020.

How much does my decline in turnover need to be?

<p>An ACNC-registered charity (other than: universities*; and schools — i.e. pre-schools, primary schools, secondary schools and education for children with disabilities)</p>	15%
<p>NFPs that are not ACNC-registered charities or otherwise excluded with an aggregated turnover of <\$1 billion</p>	30%
<p>NFPs that are not ACNC-registered charities with an aggregated turnover of >\$1 billion</p>	50%

The basic test may not accurately reflect the downturn in activity that your business has suffered. The Rules provide the Commissioner with discretion to set out an alternative test (please refer to the JobKeeper Payment Scheme – Supplementary fact sheet), where the Commissioner is satisfied that there

is not an appropriate relevant comparison period in 2019. For example, the entity started on 1 January 2020.

Employing charities (excluding universities and non-government schools) registered with the ACNC can elect to exclude government revenue from the turnover test. This change would maintain the 15 per cent turnover test for these charities but will allow them to use either their total turnover or turnover excluding government revenue for the purposes of assessing eligibility for the JobKeeper Payment.

Condition 2 - The fortnight is a JobKeeper fortnight

A JobKeeper fortnight is defined as:

- the fortnight beginning on Monday, 30 March 2020 (i.e. and ending on Sunday, 12 April 2020);
- each subsequent fortnight, ending with the fortnight ending on Sunday, 27 September 2020

Condition 3 - Notification

You must notify the ATO that you elect to participate in the JobKeeper scheme.

For the first or second JobKeeper fortnight (i.e. fortnights ending 12 and 26 April 2020) you **must notify by 31 May 2020**).

For later or subsequent fortnights, you must notify by the **end** of the fortnight.

Condition 4 - Eligible employees

Your Employees will be **eligible employees** for a fortnight where:

- they are employed by you at any time in the fortnight; and
- on 1 March 2020;
 - they were aged 18 years or over at 1 March 2020, and
 - were either:
 - a full-time or a part-time employee of yours; or
 - a 'long term casual employee' of yours — i.e. they had been employed by you on a 'regular and systematic basis' during the period of 12 months ending on 1 March 2020. A long term casual employee cannot be an employee (other than a casual employee) of another entity.
 - they were either:
 - an Australian resident (for social security law purposes); or
 - a tax resident and held a special category Subclass 444 visa (for New Zealanders).
 - they agree to be nominated by you as an eligible employee for the purposes of the JobKeeper scheme.

You can claim JobKeeper for employees that were stood down after 1 March 2020. Even if they remain stood down, the employer must nevertheless pay them a minimum of \$1500 per fortnight in order to remain eligible.

You can also claim JobKeeper for employees aged 16 or 17 for fortnights before 11 May 2020, and continue to qualify after that if they are independent or not undertaking full time study, and meet the other eligibility requirements.

Where you let employees go after 1 March 2020 but subsequently re-hired them, you can claim JobKeeper in relation to these employees. This is the case even if the employer needs to immediately stand them down, so long as they are employed. The employees must have been employed by the same employer on 1 March 2020 and let go only after that date.

Employees who were not engaged by you on 1 March 2020 **are not eligible**.

Some employees are **not eligible** if they receive some Government assistance.

Your employees must give you a '[nomination notice](#)' in the approved form. It needs to be returned to you by the end of May for you to claim JobKeeper for April.

You must advise your employees whether they have been nominated as an eligible employee, within seven days of notifying the Commissioner of the individual's details.

Condition 5 - Wage Condition

You satisfy the wage condition in respect of an employee for a JobKeeper fortnight where their gross pay will **exceed \$1500**: Gross Pay includes;

- amounts paid to the employee as salary, wages, commission, bonuses or allowances;
- amounts withheld under the PAYG withholding rules for employees;
- salary sacrificed superannuation contributions
- other salary sacrificed amounts

Where an employee has previously been paid less than \$1500 per fortnight, you will need to "top up" to ensure they receive a minimum of \$1500 per fortnight.

The JobKeeper payment cannot be claimed for employees who were not paid the full amount of \$1500 for the fortnight. Further, the payment is a reimbursement and cannot be paid in advance.

Where your pay run period is usually longer than a fortnight, those payments can be allocated to one or more fortnights in a 'reasonable manner' for the purposes of the wage condition. For example, if your ordinary arrangement is to pay an employee every four weeks, it may be reasonable for the purposes of satisfying the wage condition if the employee is paid at least \$3000 for every four-week period.

The Commissioner has discretion to treat a particular event as having happened in a different fortnight(s) to the extent that it is reasonable to do so in his opinion. The Commissioner has extended the payment for the first two fortnights until 8 May 2020.

Condition 6 - Information given to the Commissioner

You are required to give information about the entitlement for the fortnight, including details of the individual, to the Commissioner, in the approved form.

Condition 7 - You have not opted out of the scheme

An employer is not entitled to the JobKeeper payment if they notify the Commissioner that they no longer wish to participate in the JobKeeper scheme. This notification must be made in the form approved by the Commissioner.

Integrity rule

Read the [ATO's guidance](#) on how they will apply their resources to schemes designed to obtain access to the JobKeeper payment, or an increased amount of a JobKeeper payment.

The following questions are intended to assess eligibility for the JobKeeper Scheme.

Eligibility Criteria		
Employer Conditions	Yes	No
Was my NFP actively pursuing its objects on 1 March 2020?	<input type="checkbox"/>	<input type="checkbox"/>
Has my Turnover declined by the required percentage? <ul style="list-style-type: none"> • ACNC Charity 15% • Other entities with a Turnover of <\$1 billion - 30% • Other entities with a Turnover of > \$1 billion - 50% 	<input type="checkbox"/>	<input type="checkbox"/>
Notification -I have or I will advise the ATO on the approved form of my intention to participate in the JobKeeper Scheme?	<input type="checkbox"/>	<input type="checkbox"/>
Is the fortnight a JobKeeper fortnight? (30 March 2020 - 27 September 2020)	<input type="checkbox"/>	<input type="checkbox"/>
I have or I will notify my employee that I have nominated them for the JobKeeper Scheme?	<input type="checkbox"/>	<input type="checkbox"/>
I have or I will provide the ATO with information in the approved form?	<input type="checkbox"/>	<input type="checkbox"/>
Employee Conditions	Yes	No
Was my employee?		
Employed at any time in the fortnight?	<input type="checkbox"/>	<input type="checkbox"/>
At 1 March 2020 -		
Aged 18 or over?	<input type="checkbox"/>	<input type="checkbox"/>
Full or part time? or Long term Casual Employee (> 12 months)?	<input type="checkbox"/>	<input type="checkbox"/>
If aged 16 or 17, they are independent or not undertaking full time study	<input type="checkbox"/>	<input type="checkbox"/>
Australian Resident?	<input type="checkbox"/>	<input type="checkbox"/>
The Employee has agreed to be nominated and has or will provide me with notification?	<input type="checkbox"/>	<input type="checkbox"/>
Wages Condition		
Have I paid my employee a minimum of \$1500 Gross Pay for the relevant fortnight?	<input type="checkbox"/>	<input type="checkbox"/>
Not Opted Out		
You have NOT notified the ATO that you no longer want to participate?	<input type="checkbox"/>	<input type="checkbox"/>

If you have answered "**yes**" to **ALL** of the above you **may** qualify for the JobKeeper Payments from the ATO. We can assist you in **confirming** your eligibility and completing all necessary forms. Please contact us as a matter of urgency.

If you have answered any question "**No**", you are unlikely to qualify for the JobKeeper Payment Scheme. You may want to contact us to discuss further.