

JobKeeper FAQs for Artists and Arts Organisations

The government has introduced the JobKeeper Payment scheme to assist businesses and not-for-profit organisations significantly affected by the coronavirus to keep people in jobs. It is administered and paid by the Australian Taxation Office (ATO).

The JobKeeper payment enables eligible employers to pay their eligible employees at least \$1,500 (before tax) per fortnight. Eligible employers are reimbursed a fixed amount of \$1,500 per fortnight for each eligible employee. The scheme will run until September 2020.

This document seeks to answer frequently asked questions from artists, arts workers and employees about JobKeeper. It will be updated as more information becomes available. Suggested additions and clarifications are encouraged. Please email them to info@sharpeadvisory.com.au.

Eligibility

Which organisations are eligible for JobKeeper?

Businesses (including companies, partnerships, trusts, sole traders) and not-for profit organisations which employ staff.

Organisations with an aggregated turnover of less than \$1 billion (for income tax purposes) are eligible if their GST turnover has fallen or is likely to fall by 30 per cent or more, relative to a comparable period.

Charities registered with the Australian Charities and Not-for-profits Commission (ACNC), are eligible if their GST turnover has fallen or is likely to fall by 15 per cent or more relative to a comparable period. Charities can elect to exclude government revenue from the turnover test.

Which organisations are not eligible for JobKeeper?

The Australian Government and its agencies, State and Territory governments and their agencies, foreign governments and their agencies, local council governments, wholly owned corporations of any of the above and businesses subject to the Major Bank Levy.

Additionally, a company that is in liquidation, or a partnership, trust or sole trader in bankruptcy, will not be eligible.

I'm an individual artist. Am I also a sole trader?

A sole trader is a business structure where the individual owner is legally responsible for all aspects of the business including any debts and losses and day-to-day business decisions. Generally speaking, if you have an ABN and you use it to invoice your clients, you're a sole trader.

A sole trader may or may not employ other people in their business. Whether you employ others through your sole tradership, or whether you just pay yourself, you will be eligible for JobKeeper (assuming you meet the other eligibility criteria).

I'm engaged in a business, but not an employee. Can I receive JobKeeper payments for myself?

If you are:

- a sole trader
- a partner in a partnership
- an adult beneficiary of a trust
- a shareholder or director in a company,

you can register for JobKeeper as an eligible business participant. More information on how to do that is on the ATO's website [here](#).

What is "GST turnover"?

The ATO states that, "your GST turnover is your total business income (not your profit), minus any:

- GST included in sales to your customers
- sales that aren't for payment and aren't taxable
- sales not connected with an enterprise you run
- input-taxed sales you make
- sales not connected with Australia."

More information [here](#).

Do I have to be registered for GST to eligible for JobKeeper?

No. GST registration is not an eligibility criterion for JobKeeper. The revenue test refers to "GST revenue", but if you're not registered for GST, this will be your turnover without GST included.

How do I register for JobKeeper?

Enrol for JobKeeper with the ATO online [here](#).

You and your employees will also need to complete a JobKeeper employee nomination notice, which you can find [here](#).

I haven't registered yet. Have I missed out?

You have until 31 May 2020 to apply for JobKeeper payments to cover payments made to employees in April and May. After that date, you can still register, but for subsequent months.

Meeting the revenue test

How do I show that my revenue has fallen or will fall?

To work out your fall in turnover, you can compare either:

- GST turnover for March 2020 with GST turnover for March 2019
- projected GST turnover for April 2020 with GST turnover for April 2019
- projected GST turnover for the quarter starting April 2020 with GST turnover for the quarter starting April 2019.

More information on the revenue test is available on the ATO's website [here](#).

The revenue tests aren't appropriate for my organisation (because it has lumpy income, or it has seasonal income or because of the timing of subscription ticket sales or because it wasn't in operation a year ago). How do I meet the test?

Firstly, check the three tests above to see if any of them show a reduction in turnover large enough to qualify. Remember you may get a different result depending on whether you calculate the test using cash or accruals accounting.

If none of those tests suit, but you still think you will suffer a reduction in turnover large enough to qualify, an alternative test may apply.

The alternative tests are:

- The entity commenced business after the comparison period (i.e. a calendar month that ends after 30 March 2019 and before 1 October 2019 or a quarter that starts on 1 April 2019 or on 1 July 2019.)
- The entity acquired or disposed of part of the business after the comparison period.
- The entity undertook a restructure after the comparison period.
- The entity's turnover substantially increased by
 - 50% or more in the 12 months immediately before the applicable turnover test period, or
 - 25% or more in the 6 months immediately before the applicable turnover test period, or
 - 12.5% or more in the 3 months immediately before the applicable turnover test period.
- The entity was affected by drought or other declared natural disaster during the comparison period.
- The entity has a large irregular variance in their turnover for the quarters ending in the 12 months before the applicable turnover test period.
- The entity is a sole trader or small partnership where sickness, injury or leave have impacted an individual's ability to work which has affected turnover.

More information on how to apply the alternative tests is available from the ATO's website [here](#).

My business hasn't suffered a decline in revenue yet, but I think it will soon. How do I meet the test?

As per the basic turnover test, compare your projected GST turnover for April, May and June 2020, with April, May and June 2019. If that test doesn't show a large enough reduction in turnover to qualify, consider the alternative tests above.

If none of those tests apply, review the calculations each month. You may be eligible at a later stage.

My organisation is a not-for-profit, but not a charity registered with ACNC. What revenue test applies to me?

30 per cent.

I have recently received a grant which boosted my turnover. Do I include it in the revenue test?

Charities can elect to exclude government revenue from the turnover test. The ATO has not issued any other guidance related to government grants and JobKeeper. However the alternative test covering the instance of "a large irregular variance in turnover" should apply in this circumstance.

What if I estimate the decline in revenue incorrectly?

Treasury has indicated that there will be some tolerance where employers, in good faith, estimate a 30 per cent or more fall in turnover but actually experience a slightly smaller fall.

Paying people under JobKeeper

How much do I pay people under JobKeeper?

In general, you must pay the minimum \$1,500 before tax to each eligible employee per fortnight.

Employees who usually receive less than \$1,500 per fortnight will be topped up. Employees who receive more than \$1,500 per fortnight will continue to get their current salary, topped up by the JobKeeper payment.

Full details on the ATO site [here](#).

When will the first payments be made?

The first payments have already been made. They started in early May.

How far back will the payments stretch?

The earliest period that the ATO will make JobKeeper payments for is the fortnight 30 March-12 April 2020.

Do I need to withhold tax from salaries supported by JobKeeper?

Yes.

Do I pay super on the salaries supported by JobKeeper?

You have the option to pay super or not on the portion of salaries supported by JobKeeper.

What are my reporting obligations?

Each month you need to make a monthly declaration, detailing your current and projected turnover. This is not a retest of your eligibility, but an indication of how your business is progressing.

You can do this via the ATO's [business portal](#). To log on to the business portal, you need to have registered for the two factor authentication system, [MyGovID](#) (note: this is different to [myGov](#), which is used to access government services).

You can also get your accountant or tax agent to submit your monthly declaration.

Employees

Which employees are eligible for JobKeeper payments?

An eligible employee is an employee who:

- is currently employed by the eligible employer (including those stood down or re-hired);
- is a full-time or part-time employee, or a casual employed on a regular and systematic basis for longer than 12 months as at 1 March 2020;
- is a permanent employee of the employer, or if a casual employee, not a permanent employee of any other employer;
- was aged 16 years or older at 1 March 2020;
- was an Australian citizen, the holder of a permanent visa, or a Special Category (Subclass 444) Visa Holder at 1 March 2020;
- was a resident for Australian tax purposes on 1 March 2020; and
- is not in receipt of a JobKeeper Payment from another employer.

I have more than one employer. Does that mean I get more than one payment?

No. You need to nominate one primary employer. You will do this on the JobKeeper employee nomination notice, which you can find [here](#).

Note: once you have agreed to be nominated by one of your eligible employers and completed the Employee nomination notice, you cannot change the employer who is claiming JobKeeper payments for you. So select carefully.

I am both a sole trader and a casual employee. Should I register for JobKeeper or should my employer?

It can be either, but not both. Consider which one would be more financially beneficial. Because the JobKeeper payment is not means tested, you can continue to earn money as a sole trader while registered for JobKeeper (either through your sole trader or through your employer).

Note: once you have agreed to be nominated by one of your eligible employers and completed the Employee nomination notice, you cannot change the employer who is claiming JobKeeper payments for you. So select carefully.

I am both a sole trader and a permanent part-time employee. Should I register for JobKeeper or should my employer?

If you're a permanent employee, you must register for JobKeeper through your employer. You don't have the choice of selecting between your employer and your sole tradership, as casuals do.

I'm a casual employee, but I'm not sure if my work has been "regular and systematic"?

The ATO states that, "a casual employee is likely to be employed on a regular and systematic basis with a recurring work schedule or a reasonable expectation of ongoing work." More information is available [here](#).

I'm a casual employee (not a sole trader), but I go from job to job, so I don't have 12 months' worth of employment history with any one employer. Am I eligible?

As the legislation stands at the moment, no. You can apply for the JobSeeker payment from Centrelink.

We recognise that this scenario applies to many people in the arts industry and acknowledge the calls from many for these employees to be included in the JobKeeper package.

I have an agent. Are they my primary employer?

No. Creatives are sometimes engaged by businesses (such as production companies) on a job by job basis, and sometimes those payments are made via an agent. But agents are not employers of talent.

Can my employer reduce or increase my hours or change the duties I perform while receiving JobKeeper?

It depends on the circumstances. Temporary JobKeeper provisions have been added to the Fair Work Act. These provisions enable qualifying employers to give 'JobKeeper enabling directions' to eligible employees. In certain circumstances, this means that employers can temporarily:

- stand down an employee (including by reducing their hours or days of work)
- change an employee's usual duties
- change an employee's location of work.

More information is available on the Fair Work Ombudsman's website [here](#).

I'm on an income support payment from Services Australia (Centrelink). Does JobKeeper impact the amount I get from them?

Yes. JobKeeper payments are counted as income for the purposes of calculating the amount of any income support payments. More information is available on Services Australia's site [here](#).

Further information:

[ATO JobKeeper site](#)

[ATO Guides for Employers and Sole Traders](#)