COVID-19: (AUSTRALIA) JOBKEEPER PAYMENT PROGRAM – WHAT DO I NEED TO KNOW?

Date: 1 April 2020

Australia Labour, Employment and Workplace Safety Alert

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**This information is accurate as of 6.00 pm Tuesday 31 March 2020 and is subject to change as this situation evolves.*

On Monday 30 March, the Australian Government announced an AUD130 billion JobKeeper Payment to assist businesses impacted by COVID-19. This payment program is the largest stimulus package announced by the Government to date as it continues to fight to keep Australians in employment and avoid mass loss of jobs.

Following this announcement, employers are listening and listening carefully. By 8.00 am Tuesday 31 March, a day after the announcement was made, over 113,000 Australian businesses had registered their interest.

So if you are an employer and are wondering how the JobKeeper Payment works, see below.

JOBKEEPER PAYMENT

Overview	**If your business has been significantly impacted by COVID-19, the business will be able to access a wage subsidy from the Australian Government to continue paying employees, $1,500 fortnightly for a maximum 6 month period commencing 30 March 2020.**
Payment start date	**If eligible, the first payment will be received by the employer in the first week of May 2020, and will be backdated to 30 March 2020.**
Am I an eligible employer?	**Your business will be eligible if:** ▪ **it has a turnover of less than $1 billion and that turnover has been reduced by 30 per cent relative to a comparable period a year ago (of at least a month); or** ▪ **it has a turnover of $1 billion or more and that turnover has been reduced by more than 50 per cent relative to a comparable period a year ago (of a least a month); and** ▪ **it is not subject to the Major Bank Levy[1].**

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	Based on the eligibility criteria, most Australian businesses will fall within these categories subject to being able to demonstrate significant financial downturn as a result of COVID-19 in accordance with official tax records and outlined above.
Who are eligible employees?	**An eligible employee is an employee who:** ▪ **is currently employed by the business (including those stood down or rehired);** ▪ **was employed by the employer as at 1 March 2020;** ▪ **is full time, part time or a long term casual (that is, a casual who is employed on a regular basis for more than 12 months as at 1 March 2020; other casuals are not eligible);** ▪ **is at least 16 years of age;** ▪ **is an Australian citizen lawfully able to work in Australia, and** ▪ **is not receiving a JobKeeper Payment from another employer.**
What about employees on a visa?	**Employees can still be an eligible employee if they satisfy the above requirements and are subject to the following visas:** ▪ **Protected Special Category Visa; or** ▪ **Non Protected Special Category Visa having resided in Australia continually for 10 years or more; or** ▪ **Special Category (Sub Class 444) Visa Holder.** **No other visa holders will be entitled to the payment at this stage.**
My employees are currently on annual leave?	**The Australian Government guidance does not address those employees who are currently using their annual leave entitlement.** **The fact that an eligible employee is currently on annual leave is unlikely to prohibit the employee from receiving this payment. There appears to be no obligation on the employer to re-credit annual leave if it wishes to receive this payment, although the employer may choose to do so.**

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	This may be clearer when details of the proposed legislation are finalised.
What if I don't have any employees and I am self-employed?	You may still be entitled to the JobKeeper Payment and can register interest via the Australian Tax Office (ATO) website.
What's the process for employers?	1. Register an intention to apply on the ATO website the registration process is currently open. 2. Provide information to the ATO about eligible employees engaged by the business as at 1 March 2020 (this includes those employees who have been stood down). 3. Ensure that each eligible employee receives at least $1,500 per fortnight before tax (for employees who were receiving less than this amount, the employer can use this subsidy to 'top up' their wage). 4. Notify eligible employees they will receive the JobKeeper Payment if the employer meets the criteria under the program. 5. Update the ATO regularly (at least monthly) on employees engaged by the business whilst the payment is being made.
What about superannuation?	If an employee receives the JobKeeper payment, superannuation is not payable in addition to the payment, however an employer may decide to pay superannuation on any additional wage paid because of the JobKeeper payment. If an employee continues to receive their normal wage rather than the JobKeeper Payment, superannuation remains payable.
Example	*Q: An employer employs a long standing casual employee who has worked continually for over 12 months but earns less than $800 per fortnight before tax. Is this employee able to receive the payment; if so what payment will the employee receive?* A: The long standing casual is an eligible employee, subject to the

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other conditions listed above being met. The employer must pay the employee $1,500 per fortnight before tax through the JobKeeper payment. This will effectively 'top up' the employee's usual earnings to $1,500 per fortnight. The employer is not required to add superannuation to the top up amount.

[1] Major Bank Levy are those applicable to Australia's largest banks.

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