



Federal Government's Wage Subsidy

FAQs

While some details of the Job Keeper Payment are still being communicated, the following is a brief summary of the program based on the current information.

The Federal Government has announced a Job Keeper Payment to help businesses affected by the COVID-19 pandemic retain employees.

It provides for a \$750 per week subsidy for eligible employees. This is intended to protect existing jobs and provide support to workers stood down due to the impacts of the coronavirus.

Businesses will be eligible to receive a wage subsidy for their employees if they have experienced a 30 per cent reduction in total revenue, or a 50 per cent reduction in revenue for businesses with a turnover above \$1 billion, since 1 March 2020 and for a minimum period of one month.

Who is eligible?

The payment will be paid to employers, for up to six months, for each eligible employee that was on their books on 1 March 2020 and is retained or continues to be engaged by that employer.

The payment is fixed and applies at the same rate to all employees. Casual workers that have been employed by the same company for longer than 12 months are eligible for the payment. Sole traders can also access the payment.

How much do I get?

Every eligible employee must receive at least \$1,500 per fortnight from the business, before tax. That applies even if your normal earnings are below this amount. The payments apply from 30 March 2020. However, the Government will not commence making payments to employers until May.

Employers are not precluded from making additional payments and must do so where employees are still working in accordance with applicable awards, agreements and contracts.

What if I have been stood down from work?

The payment of \$1,500 per fortnight per employee will apply from 30 March 2020. Although employers will start receiving these payments in May, employers should wherever possible immediately start making arrangements for payments to all employees who have been stood down since 1 March 2020.

A worker who is stood down without pay should receive the \$1,500 per fortnight payment without being required to attend work. If the employer has useful work for you to perform, the stand down period would end and you would resume performing your regular duties and receiving your regular pay. The employer will continue receiving the \$1,500 per fortnight payments if you resume working.

Contact the union for further assistance.

What happens if I was made redundant?

The Job Keeper Payment will be available to your employer and backdated if you are re-hired.

Contact the union for further assistance.

What if I have been stood down for non-COVID-19 related matters?

If an employer has experienced a turnover reduction of 30 per cent (or 50 per cent if revenue is greater than \$1 billion), they are eligible to receive the Job Keeper payments and pay their employees accordingly.

Contact the union for further assistance.

What if I am no longer employed?

If you have been dismissed (as opposed to being stood down) due to COVID-19 since 1 March 2020, you should contact your employer immediately to see if you can be re-engaged. Contact the union for further assistance.

How long will a business receive help for my wages?

The Job Keeper Payment will last for a minimum of six months.

How does it affect people on visas?

New Zealand citizens that hold the Subclass 444 Special Category Visa will be eligible for the Job Keeper Payment.

This Job Keeper Payment does not apply to any other visa class.

What happens if my employer does not want to take me off stand down to pay me?

You are entitled to the Job Keeper Payment if you remain stood down. The Job Keeper Payment applies so long as you are still employed by the business.

What should I do if I have already found other work?

Stay in the new job or negotiate a return to your previous job because this payment is backdated and likely applies to when you were made redundant.

Payments don't start until May, my employer says they don't have to pay me until then. Is that correct?

The Government has encouraged employers to commence making the payments to employees immediately.

The Government will pay your employer in May 2020 for all the weeks you remained an employee with your company back until 30 March 2020.

Your employer can pay you now, and can expect to receive a rebate for all those payments in May 2020. Alternatively, your employer can pay you the full amount backdated in May 2020.

Contact the union for further assistance.

Do I need to register to receive payments?

No. Your employer must register to prove to the Australian Taxation Office that their revenue has been reduced as a result of COVID-19. If successful, the ATO will pay your employer who will then pay you.

Contact the union for further assistance.

What happens if I am on leave, can I cancel my leave and go on these payments?

Yes. Unless the employer has a right to direct you to take leave under your award or agreement.

Contact the union for further assistance.

What if I am on maternity or paternity leave?

You are still eligible for payments so long as you remain employed by the business. There does not appear to be an exclusion for employees who are on unpaid leave such as maternity leave.

Contact the union for further assistance.

Are these payments taxed?

Yes, the payments are subject to income tax.

Do I receive superannuation on these payments?

This depends on whether you are working or stood down.

If you are stood down, you will receive \$750 a week and your employer is not required to pay superannuation entitlements on this. However, they can voluntarily do so.

If you are employed and still getting a full wage, your employer must pay superannuation on all ordinary time earnings where work is being performed. If the scheme results in your earnings increasing (for example, your previous income was \$500 per week and now it is \$750 per week), the employer does not have to pay superannuation on the additional \$250 per week.

