

Key Points on the JobKeeper Payment

The Morrison government has heard the Australian union movement's call to ensure that all workers are covered by a wage subsidy program. The union movement has worked doggedly to make sure this government understands the grave situation Australian workers find themselves in. Less than three weeks ago the Morrison government wouldn't consider the notion of a wage subsidy. This is a good start however some problems with the scheme remain.

- **This doesn't help all workers** - casuals who have worked for an employer for less than 12 months and temporary visa holders who are not New Zealanders (visa holders 444) are not included.
- **Over 1 million casuals are excluded** - over 40% of all casual workers have been with their current employer for less than 12 months, and hence won't qualify for the wage subsidy.
- **Around a million temporary visa holders are excluded** - there is an underclass of temporary migrant workers who could face destitution with the way both this scheme and the income support measures have been designed
- **The cap on the payment is manifestly inadequate** - around half what the ACTU has been advocating for. The cap is \$1500 every two weeks (whereas we were asking for at or above median full-time wage: eg. \$1375/week or more).
- **It will still be weeks before workers see any money and it should have been backdated for longer.** Payments are only backdated to today and the scheme will still take some weeks to be set up (1st May)
- **The JobKeeper payment is taxed;** the Treasury factsheets are clear that \$1500 a fortnight is pretax. \$1500 a fortnight puts you above the tax-free threshold - you would pay \$192 a fortnight in tax that your employer would then withhold. Leaving you with \$1308 a fortnight.
- **Legislation required** - the parliament will need to be recalled to pass legislation to enable this scheme.

Details

- \$130 billion over six months.
- \$1500 per fortnight 'job-keeper' payment per eligible employee, delivered through the ATO from 1 May. Backdated to 30 March 2020
- An eligible employee is any employee, including a casual with greater than 12 months service, that was employed on 1 March 2020 by an eligible business
- An eligible business is a business who's turnover has fallen by 30% or more (50% or more for businesses with turnover of \$1billion or more). Applies to not-for-profits and charities. Losses need to be demonstrated or anticipated over a month (for example in comparison to the same month the previous year).
- Legal obligation for employers to keep people on.
- Paid to employers to pass on to employees.
- Employers must register employees.
- Employees required to nominate a 'primary employer' and notify that employer if they have multiple jobs (can only claim once)
- You cannot receive Jobkeeper and Jobseeker.
- Not dependent on income. Flat payment.
- Applies to NZ citizens on 444 visas but does not apply to any other visa type.
- Available to sole-traders with a 30% decline in turnover
- If an employee has been stood down since March 1 they will be eligible for the payment.
- Does not require employers to make up the difference. Businesses still operating will be able to use it as a wage subsidy (topping up to their actual wages). If you've been stood down may only receive only the \$1500 a fortnight.
- As a worker if you ordinarily receive less than \$1,500 in income per fortnight before tax, your employer must pay you, at a minimum, \$1,500 per fortnight, before tax.

For further information
treasury.gov.au/coronavirus/jobkeeper