

JobMaker Hiring Credit Registration Open

How to know if you are eligible

Businesses are advised to consider their eligibility for the new JobMaker scheme from the lead up to the initial round of payments scheduled in February. Employers may be eligible* to claim \$200 a week per new employee aged between 16 and 29 years old; and \$100 a week per new employee aged between 30 and 35 years old.

These credits are to be claimed quarterly for each JobMaker period. With the scheme running over two years, this allows up to 8 quarters within which employers can claim, with the first quarter being 7 October 2020 to 6 January 2021. The first payment for this quarter will be in February.

Employers are required to demonstrate that when hiring new employees, they will also be increasing both the employee headcount and payroll amount. The comparative baseline amounts are those recorded on 30 September 2020 for the first year of the scheme.

In practice, this means that when the total number of employees in each JobMaker quarter throughout 2021 is higher than that number at the end of September 2020, the employer is eligible for the hiring credit per new employee. It also applies similarly for payroll, where the payroll amount for each quarter must be higher than prior quarters. There is some room for manipulation of existing reporting based on varying pay cycles.

There are conditions to be met by both the employer and each new employee to remain eligible. In summary, an employer must:

- Have an Australian Business Number (ABN)
- Be registered for Pay-As-You-Go (PAYG) withholding
- Be up to date with relevant income tax and GST and lodgement obligations

- Be reporting through Single Touch Payroll
- Not be claiming any JobKeeper payments (presently)

In summary, each new employee must:

- Commence employment, not before 7 October 2020
- Be aged between 16 and 35 years at the time of hiring
- Meet the government payment pre-employment conditions (those being for either JobSeeker, Youth Allowance, or Parenting payment) for four weeks before hiring
- Work a minimum average of 20 paid hours per week (can be averaged per JobMaker quarter)

There are certain disqualifications to the scheme to be aware of; employees cannot:

- Be hired under more than one JobMaker scheme/application
- Be a partner, trustee, beneficiary, shareholder, or director of the employer, nor a relative of any of the aforementioned
- Be contractors or subcontractors, or have engaged in substantially similar roles between 6 April and 6 October 2020

If the above conditions are satisfied, the employer can organise each new employee to complete a nomination form to begin the process. As they administer the scheme, the form will then be submitted to the Australian Tax Office.

Please note that employers cannot 'participate retrospectively' with reporting and lodgements required to complete before the conclusion of each quarter.

With the first JobMaker period end date of 6 January 2020 fast approaching, and if you are interested in examining your business' eligibility further for the JobMaker scheme, you can contact us to confirm your entitlement.

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