



RICHARDS FINANCIAL

JOBMAKER HIRING CREDIT RULES RELEASED

The JobMaker Hiring Credit rules have been finalised and applications are now open. See:

- Legislative instrument: [JobMaker Hiring Credit Reporting Obligations Instrument 2020](#)
- Legislative instrument: [Coronavirus Economic Response Package \(Payments and Benefits\) Amendment Rules \(No. 9\) 2020](#)
- Framework legislation: [Economic Recovery Package \(JobMaker Hiring Credit\) Amendment Bill 2020](#)
- ATO: [The JobMaker Hiring Credit in detail](#)

In brief

Administered through STP, JobMaker provides a payment to employers of \$200 per week for eligible new employees aged between 16 and 29, and \$100 per week for eligible employees aged between 30 to 35 years for 12 months. The hiring credit is available for jobs created from 7 October 2020 until 6 October 2021.

JobMaker cannot be claimed for employees or business participants receiving JobKeeper.

The 6 Jan 2021 deadline

The first JobMaker claim period ends on 6 January 2021 and clients will need to be enrolled by this date to claim for the first period.

As the registration details form a baseline for JobMaker, it is essential that these are correct before the first claim is made. The baseline details cannot be amended once the first claim is made.

Eligibility

There are three tests for JobMaker:

1. Employer eligibility

- Has an ABN
- Up to date with tax lodgements
- Registered for PAYG
- Reporting through single touch payroll
- Keeps adequate records of the paid hours worked by the employee they are claiming the credit for
- Another employer is not claiming JobMaker for the same employee

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2. Employee eligibility

- Received the JobSeeker Payment, Youth Allowance (Other) or Parenting Payment for at least one month within the three months before they were hired
- Between 16 and 35 years of age at the time their employment started
- Worked at least 20 hours per week on average for the full weeks employed for the period being claimed. If the employee worked less than 20 hours, the employer cannot claim JobMaker for them during that period
- Started work between 7 October 2020 and 6 October 2021
- The first year of employment with the employer
- The employer is not receiving other forms of assistance from the Commonwealth Government for the employee, for example JobKeeper or an apprenticeship subsidy

3. Additional employee test (additionality test). The employer's:

- Total employee headcount on the last day of the reporting period increased by at least one additional employee compared initially to 30 September 2020, then to the previous reporting period.
- Total payroll for the reporting period increased compared initially to the September quarter 2020 (July, August, September 2020), then to the previous reporting period. The hiring credit cannot exceed the increase in payroll.

Government entities or agencies, banks and other institutions subject to the bank levy, businesses in liquidation, and foreign Government entities (unless a resident entity), are unable to access JobMaker.

Before registering

The JobMaker rules require a:

- Baseline headcount as at 30 September 2020 (all employment types count as 1), and
- Total payroll paid within the three months up to and including 6 October 2020

In addition, employees will need to complete a JobMaker employee notice (using the [ATO form](#) or create their own).

A word of warning

The headcount and the payroll calculations for JobMaker can be complex. Under the 'additionality test', JobMaker can only be claimed if there is an increase in headcount and payroll for that period, compared with the relevant baseline figures. As a result, there will be issues as employers are required to verify their payroll and headcount against their baseline amount each JobMaker period, i.e., JobMaker does not simply attach to a new employee but relies on the overall payroll and headcount of the employer.

The headcount and payroll increase is measured on the last day of each JobMaker period.

The baseline headcount amount is initially the number of people employed by the entity on 30 September 2020. However, this will be adjusted in the second year of the JobMaker scheme based on the claims made in the first year of the scheme.

The baseline payroll amount depends on the number of days in the JobMaker period. Initially entities will provide the payroll for the 92 day period ending on 6 October 2020. This will be the baseline payroll amount for the first JobMaker period. However, this will need to be adjusted for each JobMaker period that is a different length. For example, the second JobMaker period has 90 days so the baseline payroll for that period will be the payroll expenses in the 90 day period from 9 July 2020 to 6 October 2020.

If a business commenced after 6 October 2020, then its baseline headcount and payroll amount would normally be zero (at least initially).

How to register

You can enrol clients via the ATO portal or clients can register themselves via ATO online services or the business portal – see the COVID-19 screen then select 'JobMaker Hiring Credit'.

Unsure whether you qualify or need help? Feel free to give us a call and we can help walk you through the process.