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Business Owners Forum - Job Keeper (Alternative Tests)



Job Keeper - Recap

JobKeeper – Alternative Tests

1. Business commenced (Start-ups)
2. Business acquisition or disposal that changed the entity's turnover
3. Business restructure that changed the entity's turnover
4. Business had substantial increase in turnover
5. Business affected by drought or natural disaster
6. Business has an irregular turnover
7. Sole trader or small partnership with sickness, injury or leave

Job Keeper – Alternative Tests

➤ Business commenced

An entity applies either of the alternative tests under this section if the entity commenced business before 1 March 2020 but after the relevant comparison period.

The first alternative test is:

- If the relevant comparison period is a calendar month, the entity uses the average monthly current GST turnover instead of the entity's current GST turnover, or
- If the relevant comparison period is a quarter, the entity multiplies the average monthly current GST turnover by three and uses that figure instead of the entity's current GST turnover.

The average monthly current GST turnover is:

- If the entity commenced business before 1 February 2020, the entity's current GST turnover for each whole month after the entity commenced business and before 1 March 2020 added together and divided by the number of whole months, or
- If the entity started business before 1 March 2020, but on or after 1 February 2020, the entity's current GST turnover before 1 March 2020, divided by the number of days the entity was in business and multiplied by 29.

Job Keeper – Alternative Tests

➤ Business commenced

The second alternative test is:

- If the relevant comparison period is a calendar month, the entity divides the 3 months' current GST turnover by 3 and uses that figure instead of the entity's current GST turnover in section 8 of the Rules, or
- If the relevant comparison period is a quarter, the entity uses the 3 months' current GST turnover instead of the entity's current GST turnover.

The second alternative test is not available if the entity had not commenced business at least 3 months before 1 March 2020.

- The 3 months' current GST turnover is the total current GST turnover in the 3 months immediately before 1 March 2020.

Job Keeper – Alternative Tests

➤ Business commenced

Example

The Enterprise Company (TEC) assesses its eligibility for JobKeeper payments on 3 April 2020 based on a projected GST turnover for April 2020 of \$2.5 million. The relevant comparison period is not available because TEC was incorporated and commenced business on 3 October 2019. The following monthly current GST turnovers have been recorded by TEC:

Month	GST Turnover recorded by BFEC
October 2019	\$2 million
November 2019	\$4 million
December 2019	\$10 million
January 2020	\$2 million
February 2020	\$2 million
March 2020	\$4 million
April 2020	\$2.5 million

The average monthly current GST turnover figure for these months is \$4 million. The projected GST turnover for the month of April 2020 does fall more than 30% short of the average monthly current GST turnover. The first alternative decline in turnover test is satisfied.

Job Keeper – Alternative Tests

➤ Business had substantial increase in turnover

An entity applies the alternative test under this section if the entity had an increase in turnover of:

- 50% or more in the 12 months immediately before the applicable turnover test period, or
- 25% or more in the 6 months immediately before the applicable turnover test period, or
- 12.5% or more in the 3 months immediately before the applicable turnover test period.

The alternative test is:

- If the relevant comparison period is a calendar month, the entity divides the 3 months' current GST turnover by 3 and uses that figure instead of the entity's current GST turnover, or
- If the relevant comparison period is a quarter, the entity uses the 3 months' current GST turnover instead of the entity's current GST turnover.
- The 3 month's current GST turnover is the total current GST turnover in the 3 months immediately before the applicable turnover test period.

QUESTIONS

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