

Questions and Answers – 24 April 2020

These answers/reminders were prepared on 24 April 2020 to questions asked since 22 April.

Disclaimer: The content of this information is provided for information purposes only. No claim is made as to the accuracy or authenticity of the content although obviously we have tried to ensure it. Information is provided on the basis that services and educators undertake responsibility for assessing the relevance and accuracy of its content. This information was prepared on 24 April 2020.

Can an educator only apply to JobKeeper if they have lodged their 18/19 tax return?

No, the ATO information says that a sole trader must have lodged before 12 March 2020 either:

- “a 2018–19 income tax return showing that it had an amount included in its assessable income in relation to it carrying on a business, or
- an activity statement or GST return for any tax period that started after 1 July 2018 and ended before 12 March 2020 showing that it made a taxable, GST-free or input-taxed sale.”

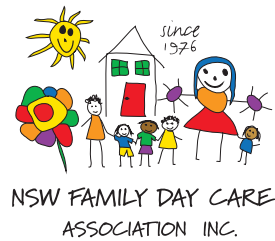
What happens to an educator who has only worked as an educator for 10 months?

Where an educator cannot show a 30% + drop in turnover because they have not been going for 12 months, there is an alternative test. The legislation for this has just been released. We suggest services advice educators in this position talk to their accountants. The legislation can be found here:

www.legislation.gov.au/Details/F2020L00461

Essentially, to find their pre COVID turnover they multiply the income for each month since they started and divide it by the number of months they have been in business if they started before February 1.

If they started after February 1 – check the legislation (6, 3b):



6, 3(b) 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.

There are other alternative tests available for cases where an educator increased their income (more days or more children) from last year and this is stopping them from showing a 30% loss. More information can be found here:

www.ato.gov.au/General/JobKeeper-Payment/In-detail/Applying-the-turnover-test/?page=3#Alternative_test

A few reminders

JobKeeper

- Ensuring your educators apply for and get access to JobKeeper is a priority! We have heard some educators are being told by their accountants to apply in May. We have heard some educators not applying because they do not think they can get it.
- All educators with ABNs, not on visas, who were working for you before March 1 and had an ABN before the March 12, should be eligible.
- Educators must apply before April 30 (next Thursday) to be paid for April.
- Once an educator has been granted JobKeeper they have to make a monthly declaration to the tax office to continue to get the payment.
- We have attached the ATO guide for sole traders which may help your educators in their applications. This can also be found here: www.ato.gov.au/general/jobkeeper-payment/In-detail/JobKeeper-guide---sole-traders/
- Remember to apply for your service staff.



Exceptional Circumstances Supplementary Relief Payment

Please remember that the main reasons that your application will be approved for this are:

- Your numbers are the same or higher now, than they were during the reference weeks.
- You are taking more new children on than what you had during the reference week. (Not on a waiting list, but actually providing care for them.)
- Your service is not eligible for JobKeeper payment.
- Your service has a high number of educators who are not eligible for JobKeeper.
NSWFDCA is currently seeking clarity and confirmation around this.