



COVID-19 Sharing Knowledge Series

JobKeeper - Alternative Test

1 May 2020

Alternative Test replaces the standard comparison period (CP) found in the “Basic” test

Replaces ‘...*current GST turnover in section 8 of the Rules*’ with new comparison period (CP)

Does not change turnover test period (TTP)



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Replaces ‘...current GST turnover in section 8 of the Rules’ with new comparison period (CP)

Does not change turnover test period (TTP)



You still
then look for
30%, 15% or
50% drop

Alternative Test replaces the
standard comparison period (CP)
found in the “Basic” test

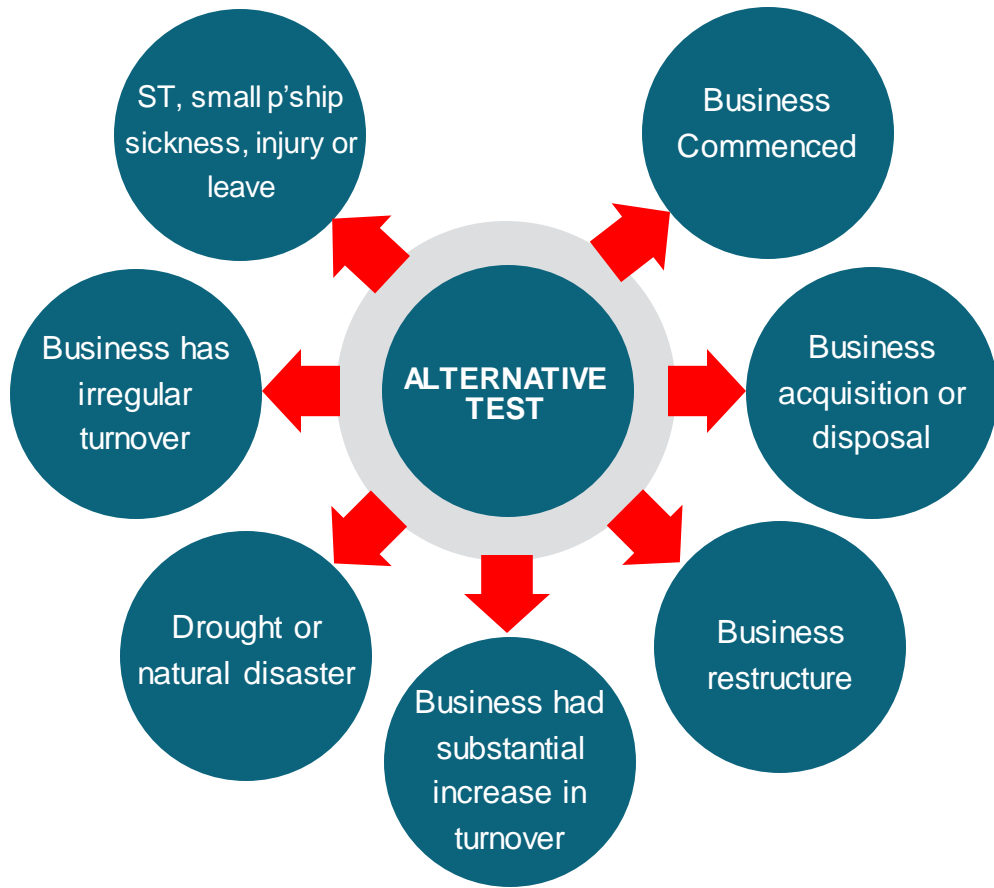
Replaces ‘...current GST turnover
in section 8 of the Rules’ with new
comparison period (CP)

Does not change turnover test
period (TTP)



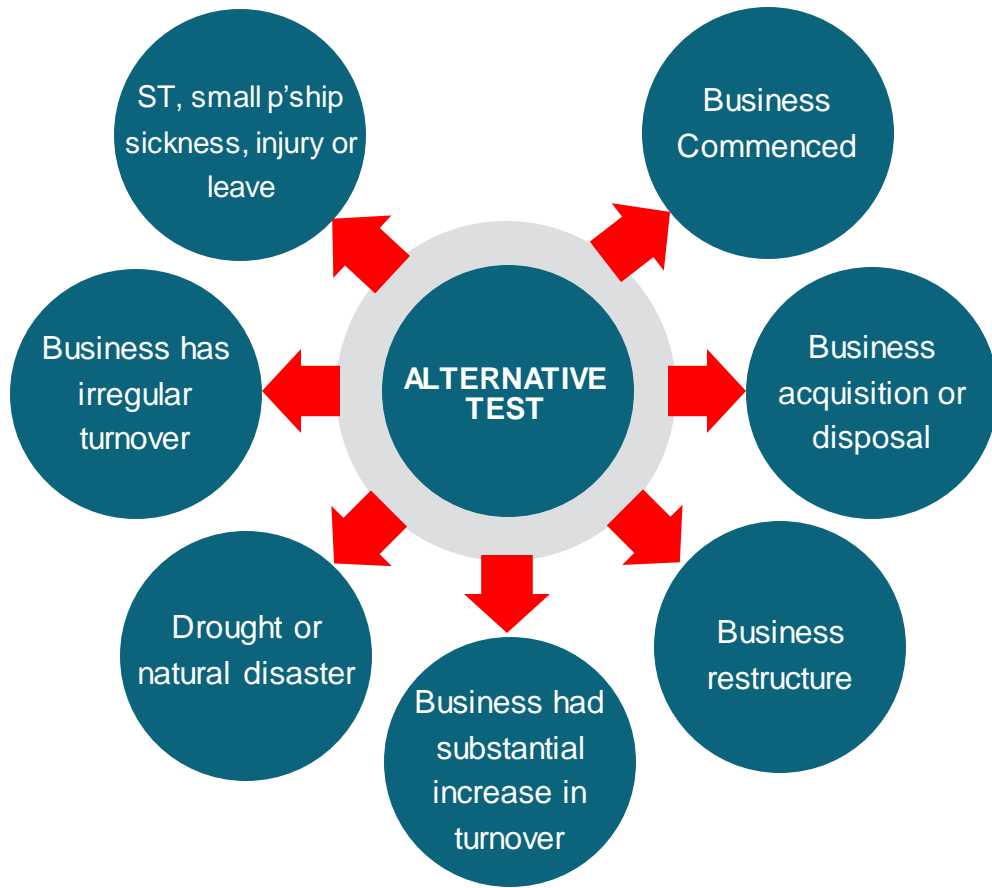
Terminology for this session

Abbreviation	Term
<i>CP</i>	Comparison Period
<i>TTP</i>	Turnover Test Period
<i>GSTT</i>	GST turnover
<i>ST</i>	<i>Sole Trader</i>
<i>P</i>	<i>Partner</i>



Arrive at the Alternative Test if there is not an appropriate relevant comparison period (CP) for decline in turnover "Basic" test

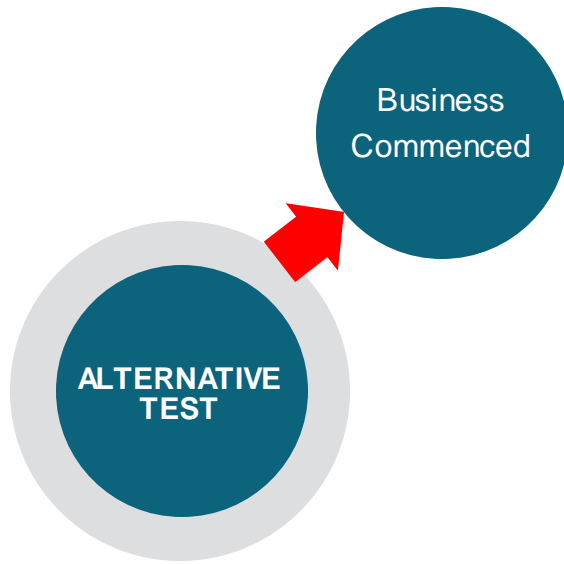
Certain 'classes of entity' have been deemed to not have appropriate relevant comparison period (CP)



Arrive at the Alternative Test if there is not an appropriate relevant comparison period (CP) for decline in turnover “Basic” test

Certain ‘classes of entity’ have been deemed to not have appropriate relevant comparison period (CP)

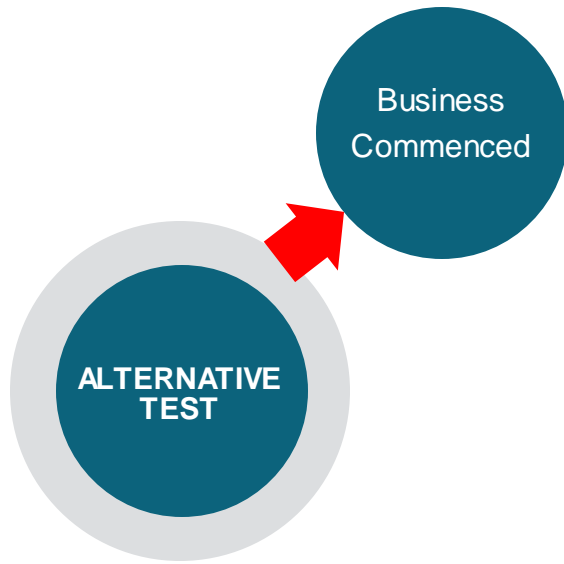
The ‘classes of entity’ are covered by the 7 Alternative tests



Name	Business commenced
<i>Class of entity:</i>	Commenced business before 1 March 2020 but after relevant comparison period
<i>First test:</i>	If CP = calendar month, ave. current GSTT
<i>Example:</i>	Start business 1 July 2019 March 2020 TTP

Average monthly current GST turnover

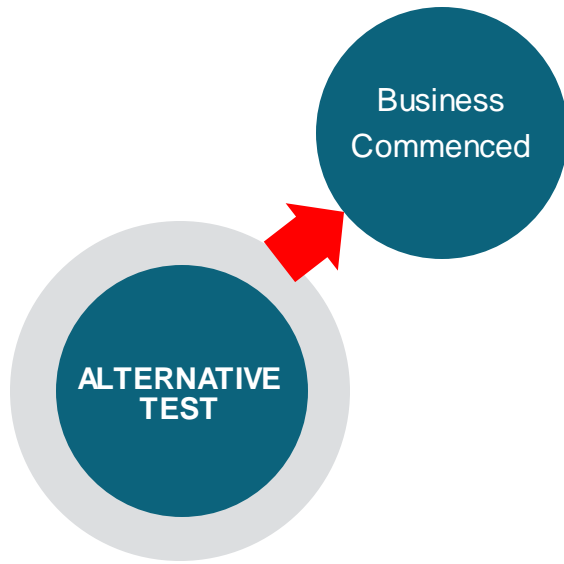




Name	Business commenced
<i>Class of entity:</i>	Commenced business before 1 March 2020 but after relevant comparison period
<i>First test:</i>	If CP = quarter, ave. current GSTT x 3
<i>Example:</i>	Start business 1 July 2019 March 2020 TTP

Average monthly current GST turnover x 3

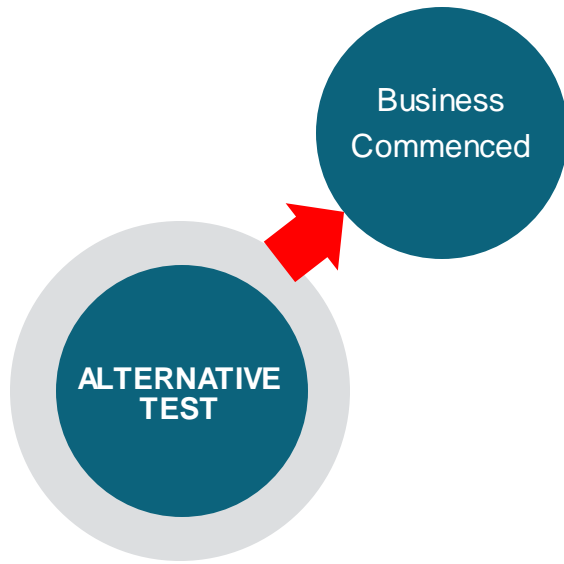




Name	Business commenced
<i>Class of entity:</i>	Commenced business before 1 March 2020 but after relevant comparison period
<i>First test:</i>	If CP = calendar month, ave. current GSTT
<i>Example:</i>	Start business 2 Feb 2020 March 2020 TTP

Current GSTT for Feb/days in business x 29

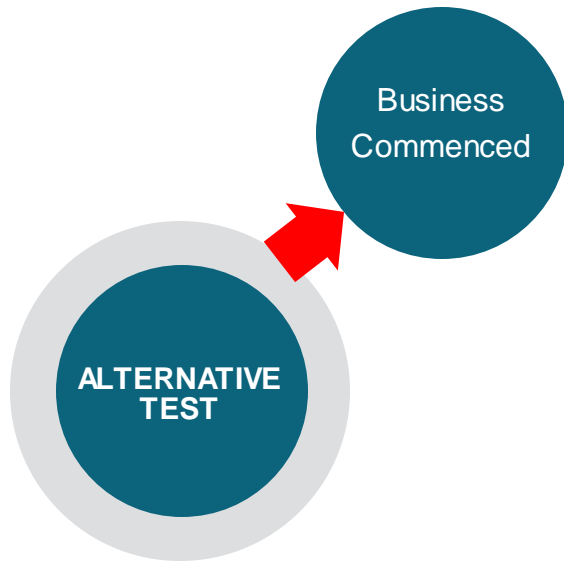




Name	Business commenced
<i>Class of entity:</i>	Commenced business before 1 March 2020 but after relevant comparison period
<i>Second test:</i>	If CP = calendar month
<i>Example:</i>	Start business 1 Jul 2019 March 2020 TTP

3 months current GSTT divided by 3

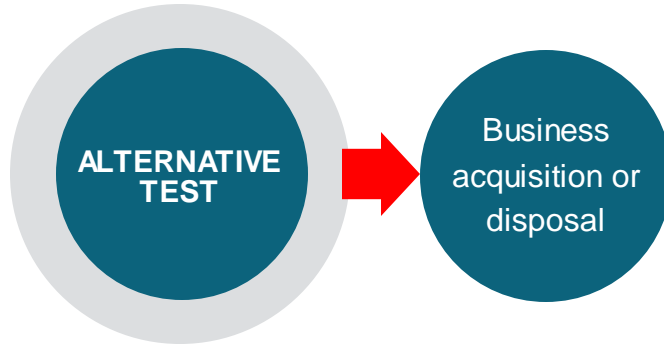




Name	Business commenced
<i>Class of entity:</i>	Commenced business before 1 March 2020 but after relevant comparison period
<i>Second test:</i>	If CP = quarterly
<i>Example:</i>	Start business 1 Jul 2019 Q4 2020 TTP

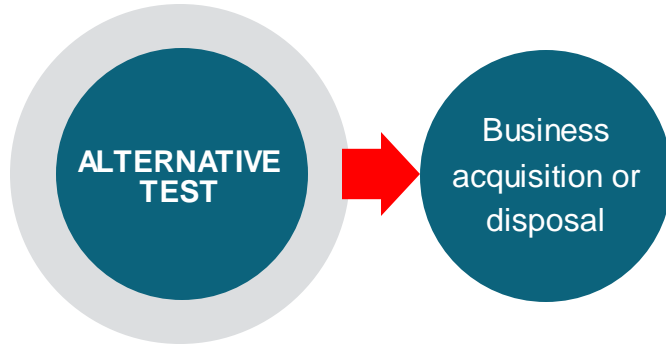
3 months current GSTT





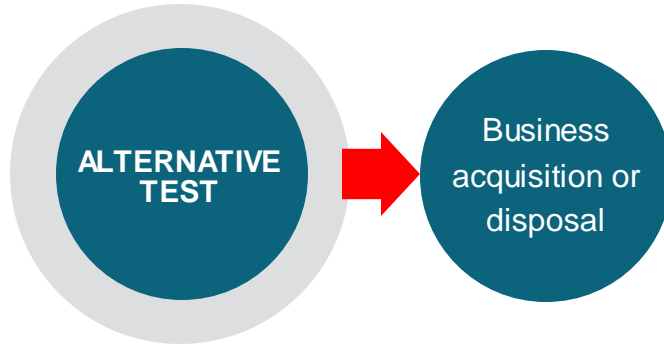
Name	Business acquisition or disposal
<i>Class of entity:</i>	Acquisition or disposal of part of business after CP and before TTP
<i>Single test:</i>	If CP = <u>calendar month</u>
<i>Example:</i>	Purchase another business 10 th Oct 19 Apr 2020 TTP





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<i>Single test:</i>	If CP = <u>quarterly</u>
<i>Example:</i>	Purchase another business 10 th Oct 19 Q4 2020 TTP



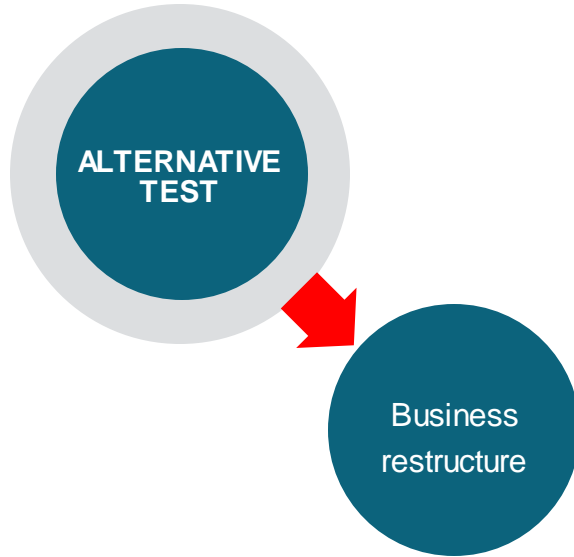


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<i>Single test:</i>	If CP = <u>quarterly</u>
<i>Example:</i>	Purchase another business 10 th Oct 19 Purchase another business 5 th Dec 19 Q4 2020 TTP



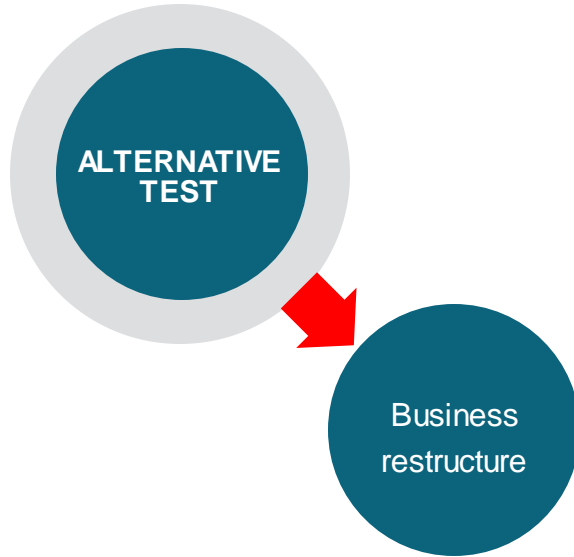
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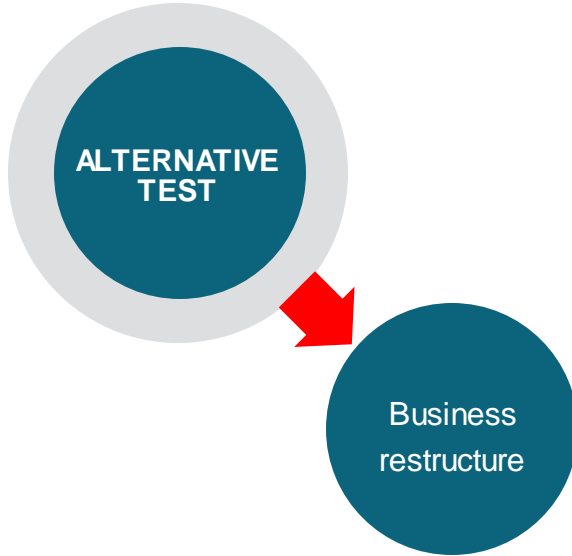
Name	Business restructure
<i>Class of entity:</i>	Restructure of business after CP and before TTP, changed entity's turnover
<i>Single test:</i>	If CP = <u>calendar month</u>
<i>Example:</i>	Restructure business 1 Jul 2019 April 2020 TTP





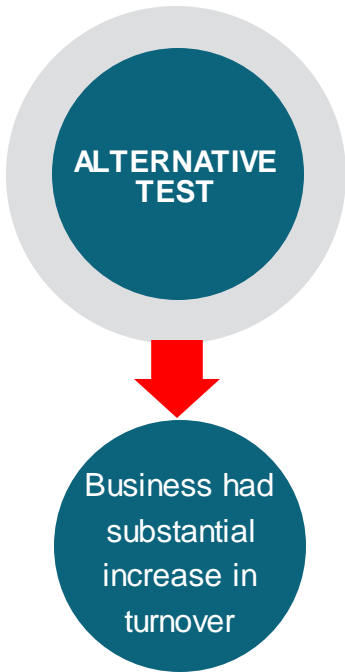
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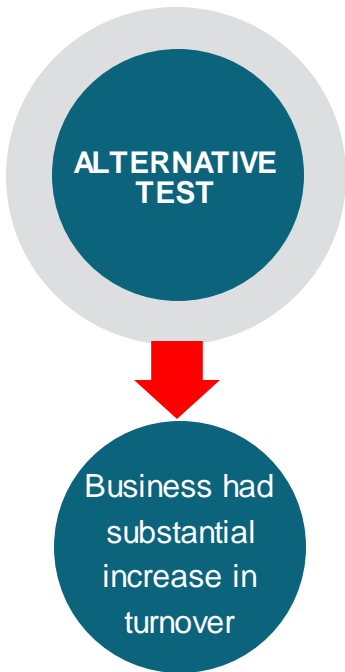
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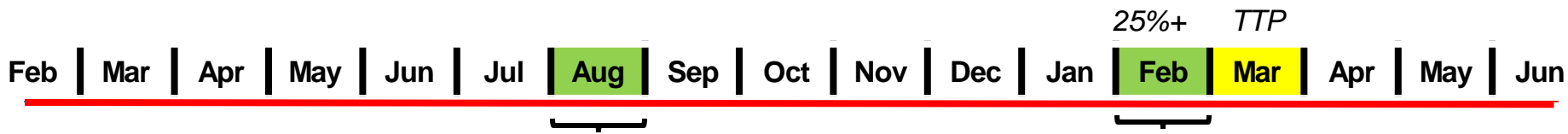


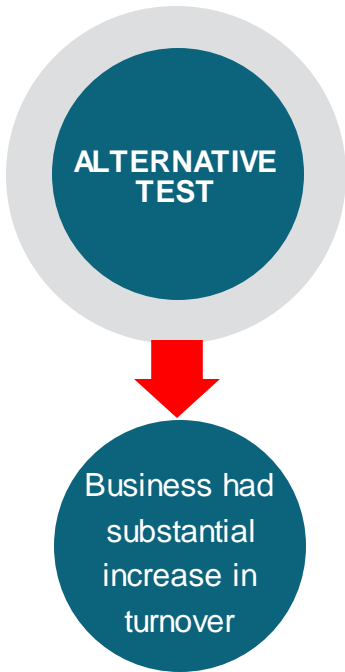
Name	Substantial increase in turnover
<i>Class of entity:</i>	Increase in turnover that meets 'gateway' tests
<i>'Gateway' tests:</i>	50% increase in 12 months 25% increase in 6 months 12.5% increase in 3 months } Pass one or more
<i>Single test:</i>	If CP = monthly
<i>Example:</i>	Growth between CP and TTP Mar 2020 TTP





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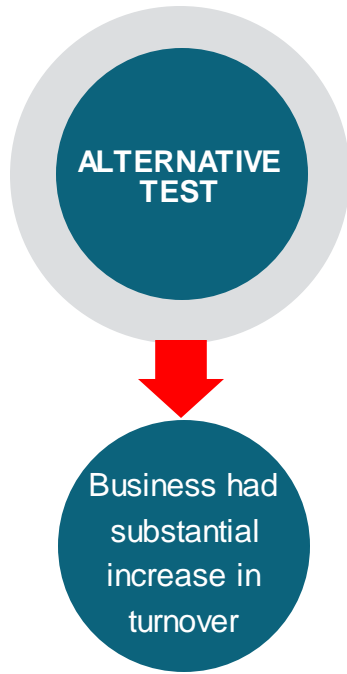




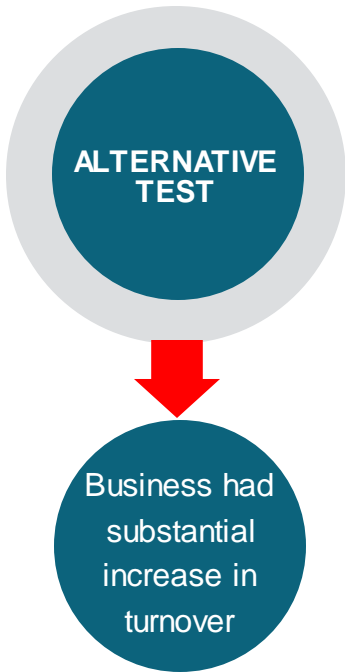
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Pass one or more



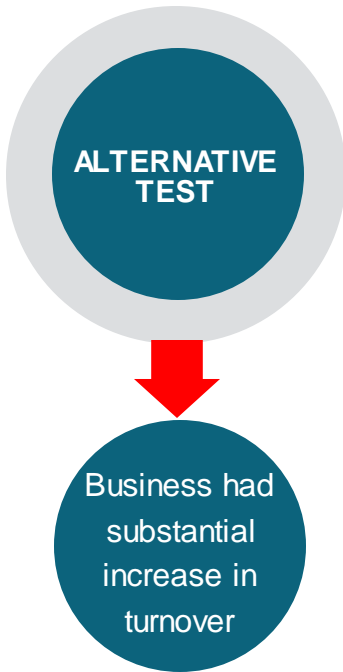


Once you get through a
'Gateway' test, then you
move-on to the actual
Alternative Test

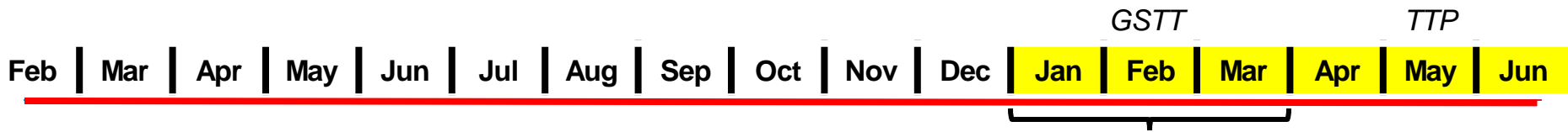


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<i>'Gateway' tests:</i>	50% increase in 12 months 25% increase in 6 months 12.5% increase in 3 months } Pass one or more
<i>Single test:</i>	If CP = quarterly
<i>Example:</i>	Growth between CP and TTP Q4 2020 TTP



Terminology for this session

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2018

Apr



Drought or natural disaster

ALTERNATIVE TEST

Name	Drought or natural disaster
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<i>Class of entity:</i>	Business in declared zone, changed entity's turnover
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<i>Single test:</i>	If CP = <u>calendar monthly</u>
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<i>Example:</i>	<i>Drought last 3 years</i> <i>Apr 2020 TTP</i>
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2018

Is this useful?

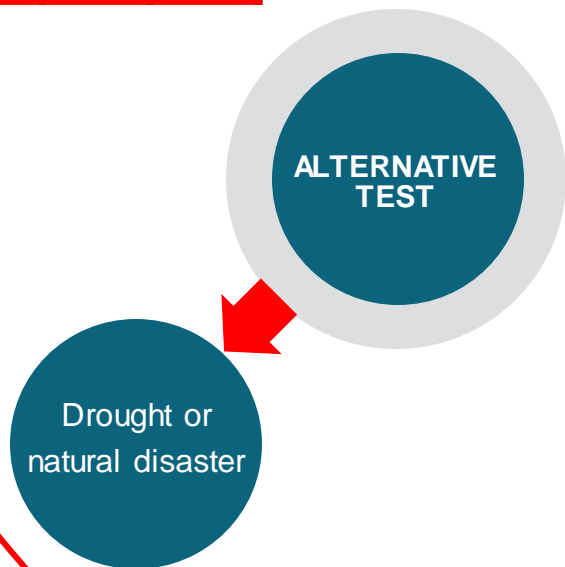
Apr



Name	Drought or natural disaster
<i>Class of entity:</i>	Business in declared zone, changed entity's turnover
<i>Single test:</i>	If CP = <u>calendar monthly</u>
<i>Example:</i>	<i>Drought last 3 years</i> <i>Apr 2020 TTP</i>

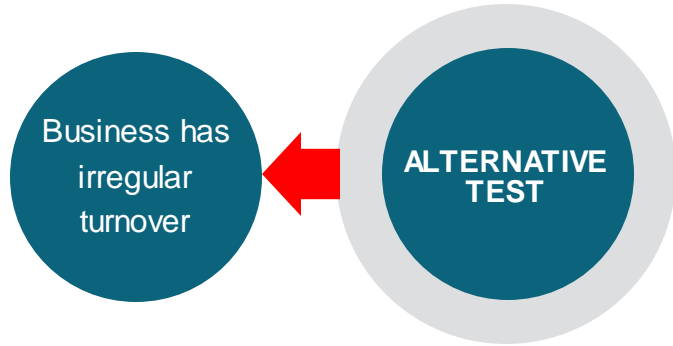


2018



Name	Drought or natural disaster
<i>Class of entity:</i>	Business in declared zone, changed entity's turnover
<i>Single test:</i>	If CP = <u>quarterly</u>
<i>Example:</i>	<i>Drought last 3 years</i> Q4 2020 TTP





Name Business has irregular turnover

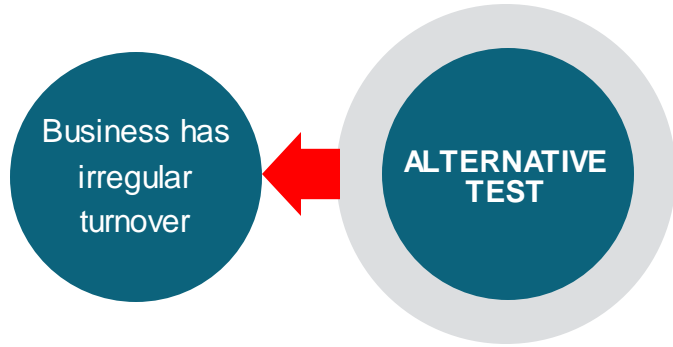
Class of entity: Irregular turnover, change in turnover NOT cyclical

'Gateway' test: Quarters ending 12 months before TTP, lowest ¼ no more than 50% of highest ¼,

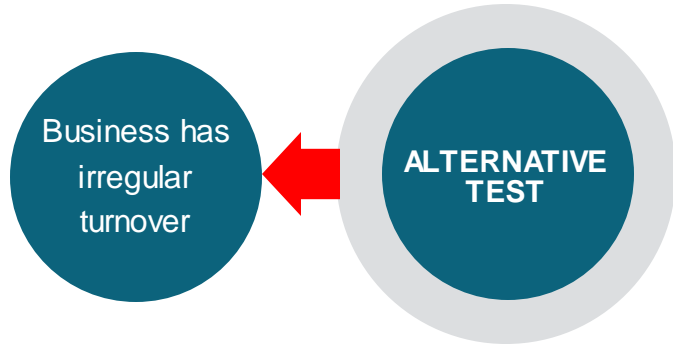
Single test: If CP = calendar month

Example: Business with key contracts
Apr 2020 TTP

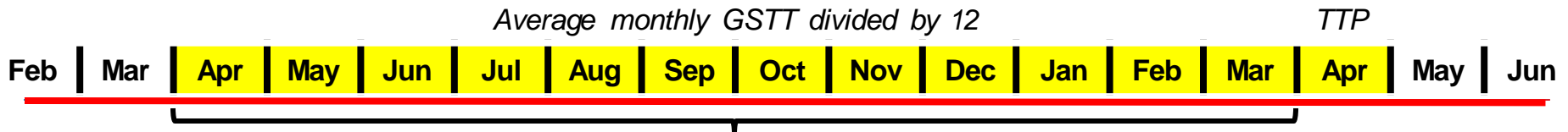


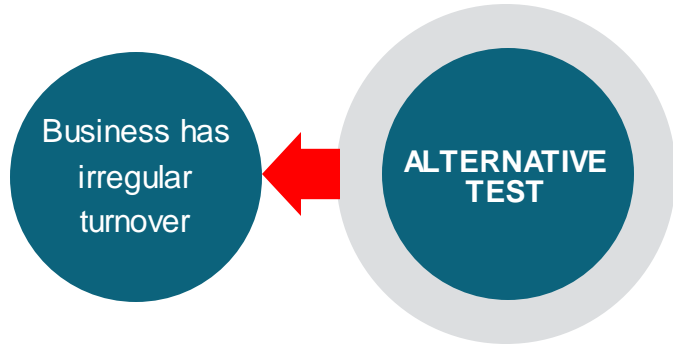


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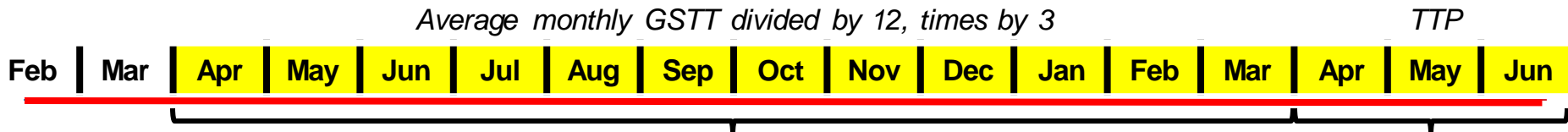


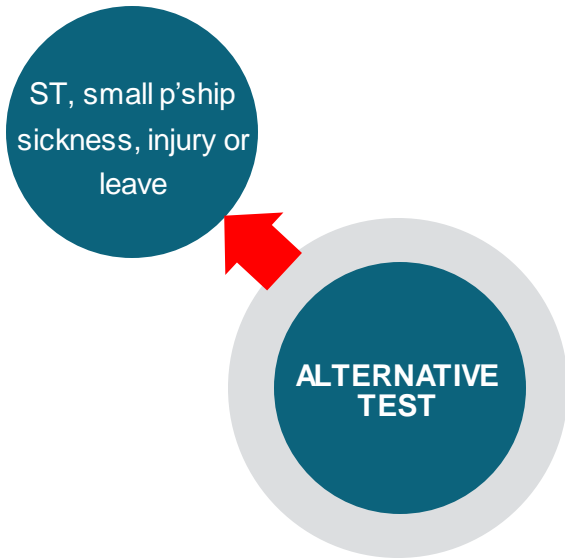
Name	Business has irregular turnover
<i>Class of entity:</i>	Irregular turnover, change in turnover NOT cyclical
<i>'Gateway' test:</i>	Quarters ending 12 months before TTP, lowest ¼ no more than 50% of higher ¼,
<i>Single test:</i>	If CP = <u>calendar month</u>
<i>Example:</i>	<i>Business with key contracts Apr 2020 TTP</i>





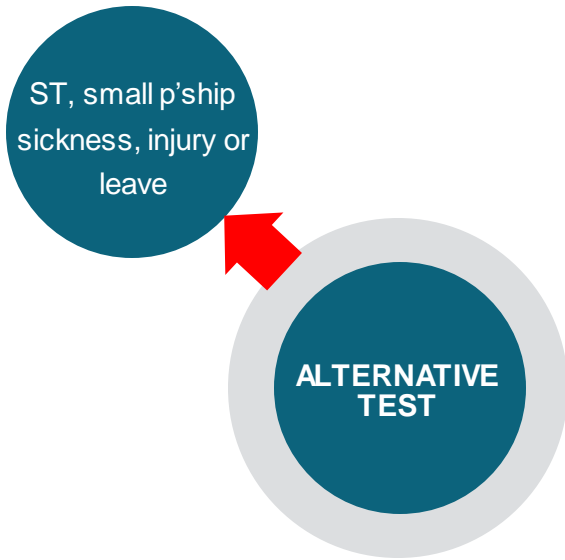
Name	Business has irregular turnover
<i>Class of entity:</i>	Irregular turnover, change in turnover NOT cyclical
<i>'Gateway' test:</i>	Quarters ending 12 months before TTP, lowest ¼ no more than 50% of higher ¼,
<i>Single test:</i>	If CP = quarterly
<i>Example:</i>	<i>Business with key contracts Q4 2020 TTP</i>



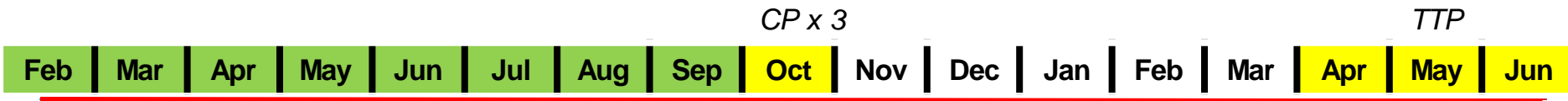


Name	Sickness, injury, leave
<i>Class of entity:</i>	ST or small p'ship (4 or less) <ul style="list-style-type: none"> - No employees - ST or P did not work all/part of CP - Turnover affected
<i>Single test:</i>	If CP = <u>monthly</u>
<i>Example:</i>	<i>Maternity leave from Feb-Sep 2019 Apr 2020 TTP</i>





Name	Sickness, injury, leave
<i>Class of entity:</i>	ST or small p'ship (4 or less) <ul style="list-style-type: none"> - No employees - ST or P did not work all/part of CP - Turnover affected
<i>Single test:</i>	If CP = <u>quarterly</u>
<i>Example:</i>	<i>Maternity leave from Feb-Sep 2019</i> <i>Q4 2020 TTP</i>



Federal government measures

JobKeeper payments - turnover test

Business turnover test		Business commenced (i.e. start-up)	Business disposal, acquisition, or restructure	Substantial increase in turnover	Business impacted by drought or natural disaster	Business with irregular non-cyclical turnover	Sole trader or small partnership impacted by sickness, injury or leave	
Projected GST turnover v Current GST turnover for comparison period								
Basic Test		Alternate Tests - comparison period general rules						
A calendar month between 1 March 2020 and 30 September 2020	Current GST T/O for comparison period	T/O each whole month since commencement \div Number of whole months	Current GST T/O for 3 mths immediately before test period \div 3	Current GST T/O for the month after last change	Current GST T/O for 3 mths immediately before test period \div 3	Current GST turnover for same period but in year immediately before the declaration	T/O for each whole month in 12 months immediately before \div 12	Current GST T/O for the month after return to work
Quarter starting 1 April or 1 July 2020	Same as above	As above \times 3	As above, but do not \div 3	As above \times 3	As above, but do not \div 3	Same as above	As above \times 3	As above \times 3

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May 2020