

# Information for Employers



## ***Commonwealth Government JobKeeper Payments and Victorian WorkCover Premiums***

### **Introduction**

On 5 May 2020, the Victorian Government confirmed that any eligible Commonwealth Government JobKeeper Payments to meet the \$1,500 threshold will not affect the calculation of the WorkCover premium.

These changes are to support Victorian employers during the uncertainty of the coronavirus pandemic.

### **JobKeeper Payments**

Commonwealth Government JobKeeper Payments are made to eligible employers whose income has been significantly affected by coronavirus (COVID-19) to support them in retaining employees. Eligible employers that elect to participate will receive a payment of \$1,500 per fortnight for each eligible employee retained.

To find out more about the JobKeeper Payments, visit [www.ato.gov.au/general/JobKeeper-Payment](http://www.ato.gov.au/general/JobKeeper-Payment)

### **About the JobKeeper Payments and WorkCover premium**

WorkCover premium will not apply to eligible Job Keeper payments employers make to their staff between 20 March 2020 and 27 September 2020.

The availability of JobKeeper Payments overlaps with WorkSafe premium calculations for both the 19/20 and 20/21 premium years.

Normal wages paid to employees for work performed and leave entitlements are not affected by this determination.

This aligns with the treatment of JobKeeper Payments for payroll tax purposes. For more information, see [www.sro.vic.gov.au/coronavirus](http://www.sro.vic.gov.au/coronavirus)

Consistent with other WorkCover premium requirements, employers are responsible for assessing and reporting their rateable remuneration. This responsibility includes maintaining accurate records and providing evidence to WorkSafe or WorkSafe's Agents if required to reconcile that the correct amount of WorkCover premium has been paid.

### **Rateable Remuneration for WorkCover premium**

The following table summarises what JobKeeper Payments made by an employer who is receiving JobKeeper Payments are rateable remuneration:

<b>Employer's Situation</b>	<b>Example</b>	<b>Rateable Remuneration</b>
Employee stood down without pay	Employee does not perform any work and does not receive normal pay. Receives JobKeeper wage subsidy via employer.	The JobKeeper Payment (\$1,500) is not regarded as rateable remuneration
Employee continues to work and currently earning a wage of less than \$1,500 per fortnight	Employee earns \$1,000 per fortnight	Any 'additional' JobKeeper Payment passed onto the employee (in this case \$500) is not regarded as rateable remuneration.  Normal earnings (in this case \$1,000) remain rateable remuneration.
Employee continues to work and normally earns at least \$1,500. These wages are subsidised by the JobKeeper Payment	Employee normally earns \$2,500 per fortnight, but is subsidised with JobKeeper payment via employer.	All of this payment is rateable remuneration.

## **Minimising the impact of any JobKeeper Payments**

WorkSafe appreciates employers may be working through a number of processes associated with JobKeeper Payments.

Employers are encouraged to enter updated estimates of their rateable remuneration, bearing in mind that 'additional' payments and payments to workers who are stood down and not working need not be included.

This applies for any updated estimates of remuneration for the 2019/20 year and any future estimates for the 2020/21 year. This will allow time for employers to access the JobKeeper Payments without needing to consider the impact on the remuneration for WorkCover premium.

Employer's final certification of 2019/20 remuneration will need to include all categories of rateable remuneration. For larger employers, they have until October 2020 to certify their 2019/20 remuneration. Small employers have until March 2021. Certification for 2020/21 occurs after the end of that financial year.

WorkSafe will not apply any underestimation penalties to employers where the underestimation is due to considerations of JobKeeper Payments.

## **Further assistance**

WorkSafe is continuing to do everything it can to support workers and employers impacted by coronavirus (COVID-19).

Further information and Frequently Asked Questions are available on WorkSafe's website at [www.worksafe.vic.gov.au](http://www.worksafe.vic.gov.au). Alternatively, please contact your WorkSafe Agent or the WorkSafe Advisory Service on 1800 136 089.