

JobMaker Hiring Credit

Written by Robyn Jacobson, CTA, Senior Advocate, The Tax Institute

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The JobMaker Hiring Credit (**JobMaker HC**) legislative framework is contained in:

- the [Economic Recovery Package \(JobMaker Hiring Credit\) Amendment Act 2020](#) (the **Act**);
- the Treasurer's legislative instrument, the [Coronavirus Economic Response Package \(Payments and Benefits\) Amendment Rules \(No. 9\) 2020](#) (**JM Rules**); and
- the Commissioner's legislative instrument, the [JobMaker Hiring Credit Reporting Obligations Instrument 2020](#) (**Reporting Rules**).

Key points

- The new JobMaker HC payment scheme is an incentive program to employ additional young job seekers.
- JobMaker HC payments are available for new jobs created between 7 October 2020 and 6 October 2021 (inclusive).
- The JobMaker program runs from 7 October 2020 to 6 October 2022.
- Claims can be made for each additional eligible employee up to a maximum of 12 months from the start of their employment.
- Employers claim JobMaker HC payments in arrears every 3 months from 1 February 2021 to 31 January 2023.
- The employer must increase their headcount and their payroll.
- Employers cannot claim JobKeeper¹ and JobMaker at the same time.
- Employers have regular JobMaker reporting obligations. Single Touch Payroll (**STP**) is the only means of reporting JobMaker information to the ATO.
- Employers must register for a JobMaker period at any time before the end of the claim period.²
- **Claims can be made only during the claim period. There are strict dates and there is no discretion to extend the claim period.**

¹ An entity cannot participate in the JobMaker program if it is entitled to receive a JobKeeper payment in respect of an individual for a JobKeeper fortnight that **begins** during the JobMaker period. There is no prohibition where a JobKeeper fortnight **ends** during the JobMaker period — this allows an entity to cease its participation in JobKeeper and begin its participation in JobMaker without requiring a 'gap' between the two schemes.

² The Commissioner has exercised his discretion to defer the due date of registration from the end of the JobMaker period to the end of the relevant claim period.

JobMaker payment rates

TABLE 1: JobMaker payment rates

Age of eligible employee ³	JobMaker rate per eligible employee
16–29 years old	\$200 per week (higher rate)
30–35 years old	\$100 per week (lower rate)

JobMaker dates

TABLE 2: JobMaker periods and deadlines

No.	JobMaker period (column A)	Registration deadline (column B)	STP JobMaker reporting deadline (column C)	Claim period (column D)
1	7 Oct 2020–6 Jan 2021	30 Apr 2021 (can register from 6 Dec 2020)	27 Apr 2021	1 Feb 2021–30 Apr 2021
2	7 Jan 2021–6 Apr 2021	31 Jul 2021	28 Jul 2021	1 May 2021–31 Jul 2021
3	7 Apr 2021–6 Jul 2021	31 Oct 2021	28 Oct 2021	1 Aug 2021–31 Oct 2021
4	7 Jul 2021–6 Oct 2021	31 Jan 2022	28 Jan 2022	1 Nov 2021–31 Jan 2022
5	7 Oct 2021–6 Jan 2022	30 Apr 2022	27 Apr 2022	1 Feb 2022–30 Apr 2022
6	7 Jan 2022–6 Apr 2022	31 Jul 2022	28 Jul 2022	1 May 2022–31 Jul 2022

³ An individual is not eligible if they are less than 16 or more than 35 years of age at the time they commenced employment with the entity.



No.	JobMaker period (column A)	Registration deadline (column B)	STP JobMaker reporting deadline (column C)	Claim period (column D)
7	7 Apr 2022–6 Jul 2022	31 Oct 2022	28 Oct 2022	1 Aug 2022–31 Oct 2022
8	7 Jul 2022–6 Oct 2022	31 Jan 2023	28 Jan 2023	1 Nov 2022–31 Jan 2023

Notes on JobMaker periods and deadlines

- 1 Employers can register at any time before the end of a JobMaker claim period.
- 2 There is no entitlement to payments for a JobMaker claim period if an entity registers after that period closes.
- 3 Employers must provide employee information for the JobMaker period (column A) before the STP JobMaker reporting deadline (column C). A JobMaker HC payment claim cannot be made until it is provided to the ATO through STP.
- 4 The information provided through STP is populated in the claim form within 72 hours. This accounts for the three-day buffer from the STP JobMaker reporting deadline (column C) to the end of the claim period (column D) for the JobMaker period (column B).
- 5 Reporting JobMaker information through STP does not impact on the entity's ordinary STP reporting obligations.
- 6 While entities have nearly 4 months to claim JobMaker, the earlier an entity reports through STP, the earlier the claim can be made and processed, and the sooner payment can be made.
- 7 **Claims can be made only during the claim period. These are strict dates and there is no discretion to extend the claim period.**
- 8 **Claims cannot be amended after the claim period has ended.**

Eligibility for JobMaker

Qualifying entities

An entity (**the employer**) is eligible for JobMaker for a JobMaker period if it meets all the following conditions:

- 1 The period is a JobMaker period.
- 2 The employer elects to participate in the JobMaker program.
- 3 The employer carries on business in Australia, is a non-profit body that pursues its objectives primarily in Australia or is a deductible gift recipient that meets certain additional conditions (see s 28(1)(a)(iii) of the JM Rules).



- 4 From the time the employer chooses to participate in the JobMaker program, the employer has an ABN and is registered for PAYG withholding.
- 5 At the time of the claim, the employer does not have any outstanding income tax return or business activity statement lodgments that were required to be lodged in the two years before the end of the JobMaker period. (This allows the entity to rectify any lodgments that were outstanding at the end of the JobMaker period before they claim the JobMaker HC payment.)
- 6 The employer is not an excluded entity, i.e. it is not:
 - Subject to the Major Bank Levy (**MBL**) (nor is a member of a consolidated group of which the employer is a member and one of those entities is subject to the MBL) before 1 October 2020.
 - An Australian Government agency, local governing body or a wholly-owned entity of those.
 - A sovereign entity (i.e. a body politic of a foreign country or foreign government agency). A wholly-owned resident subsidiary of such a body politic may however be a qualifying entity.
 - At any time in the JobMaker period subject to the appointment of a provisional liquidator or liquidator or a trustee in bankruptcy.

Integrity rules

Aside from the general integrity rule in s 19 of the [Coronavirus Economic Response Package \(Payments and Benefits\) Act 2020](#), even if an entity qualifies for JobMaker, it may be disqualified from the program under s 29 of the JM Rules if it:

- terminates the employment, or reduces the hours, of an employee; and
- the termination or reduction is done as part of a scheme for the sole or dominant purpose of the entity obtaining, or increasing the amount, of a JobMaker HC payment.

Eligible additional employees

An individual is an **eligible additional employee** for a JobMaker period if they:

- 1 Are employed by the entity during the period.
- 2 Commenced employment with the entity between 7 October 2020 and 6 October 2021 (inclusive).
- 3 At the time they commenced employment with the entity, were 16 to 35 years of age (inclusive).
- 4 Worked, or have been paid for, an average of 20 hours per week for each whole week they were employed by the entity during the period.
- 5 Received at least one of the following income support payments under the *Social Security Act 1991* for at least 28 consecutive days in the 84 days immediately preceding the commencement of employment (i.e. 4 out of 12 weeks):
 - Parenting Payment;
 - Youth Allowance (Other); or
 - JobSeeker Payment.

- 6 Have given a notice to the entity stating that they satisfy the above requirements.
- 7 Are not already receiving a wage from another employer that is subsidised by the JobMaker HC payment in the period.
- 8 Are not excluded (see **Table 3** below).

TABLE 3: Excluded individuals

Circumstance	Exclusion
Entity is a sole trader	Individual is a relative of the sole trader.
Entity is a partnership	Individual is a partner in the partnership or a close associate of a partner in the partnership.
Entity is a trust (other than a widely held unit trust)	Individual is a trustee or beneficiary of the trust, or a close associate of a trustee or beneficiary of the trust.
Entity is a company (other than a widely held company)	Individual is a shareholder in or a director of the company, or a close associate of a shareholder in or a director of the company.
Recently engaged other than as an employee	The individual was engaged other than as an employee (e.g. as a contractor) to exercise powers, or perform functions or duties, for the entity at any time in the 6-month period ending on 6 October 2020 that are substantially similar to the powers exercised, or the functions or duties performed, by the individual as an employee of the entity.
Employed more than 12 months earlier	The individual commenced employment with the entity 12 months or more before the first day of the JobMaker period.

Calculating the JobMaker HC entitlement

To be entitled to a JobMaker HC payment, the employer must have a:

- **Headcount increase;** and
- **Payroll increase.**

The ATO will provide a downloadable calculator which will estimate the amount of the JobMaker HC for a period. This will assist employers in deciding whether to take on additional eligible employees. Employers need to provide the information outlined at the steps below by reporting it:

- 1 at registration;
- 2 by [nominating](#) eligible additional employees (through STP-enabled software); and
- 3 as part of the JobMaker HC payment claim process.

TABLE 4: Steps to work out entitlement to a JobMaker HC payment

Step	Explanation	
Step 1	JobMaker period	Select the JobMaker period (1 of 8 periods: see Table 2 above)
Step 2	Headcount	<p>Baseline headcount: For the first four JobMaker periods (7 October 2020 to 6 October 2021), the number of employees employed by the entity at the end of 30 September 2020 is reported to the ATO at the time of registering. This figure is pre-filled into the claim form. This figure does not change for the first year of the JobMaker program. The baseline headcount may be adjusted for the fifth and subsequent JobMaker periods.</p> <p>At the time of the claim, report the total headcount at the end of the JobMaker period — this figure needs to be higher than the baseline headcount for the entity to be eligible.</p>
Step 3	Payroll	<p>Baseline payroll: The total payroll — which includes only certain amounts set out at s 32(3) of the JM Rules — for the reference period (broadly 3 months) that ends on or immediately before 6 October 2020 is reported to the ATO at the time of registering.</p> <p>At the time of the claim, report the total payroll for the JobMaker period — this figure needs to be higher than the baseline payroll for the entity to be eligible.</p>
Step 4	Employee days	<p>At the time of the claim, report the total number of:</p> <ul style="list-style-type: none"> ■ higher rate days — this is calculated by totalling the number of days that eligible additional employees aged 16–29 worked during the JobMaker period; ■ lower rate days — this is calculated by totalling the number of days that eligible additional employees aged 30–35 worked during the JobMaker period.
Step 5	Maximum payable days	This is determined by multiplying the increase in the headcount (from Step 2) by the number of days in the JobMaker period.
Step 6	Payable days remaining	This is determined by subtracting the number of higher rate days (from Step 4) from the maximum payable days (from Step 5).
Step 7	Lower rate days	This is determined by taking the lesser of the lower rate days (from Step 4) and the payable days remaining (from Step 6). ⁴

⁴ This calculation is necessary to ensure that a JobMaker entitlement does not arise in excess of the maximum payable days (which is determined by the **net increase** in the headcount for the JobMaker period). This could arise where there are terminations during the period, but the overall headcount still increases.



Step	Explanation	
Step 8	Uncapped claim amount	The higher rate claim amount is determined by multiplying the number of higher rate days (from Step 4) by \$200 and dividing by 7 . The lower rate claim amount is determined by multiplying the number of lower rate days (from Step 7) by \$100 and dividing by 7 .
Step 9	Payroll cap	The total claim is the lesser of the uncapped claim amount (from Step 8) and the increase in the payroll (from Step 3).

EXAMPLE

Assume 10 additional eligible employees were employed for 90 days during the first JobMaker period. Their annual wage is \$50,000 each. At the time of commencement of employment:

- 6 are aged 16–29 years; and
- 4 are aged 30–35 years.

Step	Explanation	
Step 1	JobMaker period	JobMaker period 1: 7 October 2020 to 6 January 2021
Step 2	Headcount	Baseline headcount at 30 September 2020, provided at registration 30 Headcount at the end of the JobMaker period, provided at claim 40 Headcount increase 10
Step 3	Payroll	Baseline payroll for period ending on or immediately before 6 October 2020, provided at registration \$1,500,000 Payroll at the end of the JobMaker period, provided at claim \$1,625,000 Payroll increase \$125,000
Step 4	Employee days	Higher rate days (employees aged 16–29): 6 employees × 90 days 540 Lower rate days (employees aged 30–35): 4 employees × 90 days 360



Step	Explanation		
Step 5	Maximum payable days	Headcount increase (from Step 2)	10
		Number of days in the JobMaker period	92 ×
		Maximum payable days	920
Step 6	Payable days remaining	Maximum payable days (from Step 5)	920
		Number of higher rate days (from Step 4)	(540)
		Payable days remaining	380
Step 7	Lower rate days	Lesser of:	
		Lower rate days (from Step 4)	360
		Payable days remaining (from Step 6)	380
Step 8	Uncapped claim amount	Higher rate claim amount:	
		Number of higher rate days (from Step 4): 540 × \$200/7	\$15,428.57
		Lower rate claim amount:	
	Number of lower rate days (from Step 4): 360 × \$100/7	\$5,142.86	
Step 9	Payroll cap	Lesser of:	
		Uncapped claim amount (from Step 8)	\$20,571.43
		Increase in payroll (from Step 3)	\$125,000.00
	Estimated claim amount	\$20,571.43	

Further information

- Information on using the [ATO provided employee notice](#) (also available in DOCX format), and [how to create your own employee notice](#).
- ATO's downloadable [JobMaker Hiring Credit payment estimator](#) (in XLSX format).
- Further [ATO information and guidance](#) on JobMaker.

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