How to get the JobMaker Hiring Credit?

What is the JobMaker Hiring Credit?

The JobMaker Hiring Credit scheme is an incentive for businesses to employ additional young job seekers aged 16-35 years.

- JobMaker gives you, the employer, a credit of $200 (or $100) per week for every new employee you hire, that is aged 16 - 29 (or 30 - 35), *inclusive*.
- You and your employee must both be eligible.
- You can claim JobMaker for 8 periods (quarters) in arrears, over 2 years, as shown in the timeline below. Do not miss the key due dates below.
- How to claim JobMaker? Easy. Follow the 6 steps below.

JobMaker periods		1st		2nd		3rd		4th		5th		6th		7th		8th	
Date	7-Oct-20		7-Jan-21		7-Apr-21		7-Jul-21		7-Oct-21		7-Jan-22		7-Apr-22		7-Jul-22		7-Oct-22

Step 1 - Work out if you are eligible (as an employer)

You are eligible it you meet all the criteria below:

1. You carry on a business in Australia, or you are a non-profit in Australia
2. You have an ABN and are registered for PAYG withholding
3. You have no late returns in the last 2 years (GST and income tax)
4. You are not an excluded entity e g government body or bankrupt/in liquidation
5. You have one or more eligible additional employees for the period
6. You had a headcount increase and a payroll increase for the period
7. You have registered with the ATO by the relevant due date. See Step 3.
8. You have lodged a claim with the ATO and provided the information about your entitlement. See Step 5
9. You are not entitled to a JobKeeper payment for an individual for a fortnight that begins during a JobMaker period (you cannot participate in both JobMaker and JobKeeper simultaneously).
10. You have not been disqualified (e.g. because you terminated an employee or reduced their hours in order to take advantage of the JobMaker scheme).

Step 2 - Work out if your new employee is eligible

Your employee is eligible if they meet all the criteria below:

1. The person commenced employment between 7 Oct 2020 - 6 Oct 2021 (inclusive).
2. At time of commencement, the person is:
   - aged 16 or above (but less than 30 years old) or
   - aged 30 or above (but less than 36 years old)
3. Has worked an average of 20 hours a week
4. Has received one of the following for at least 28 consecutive days within the last 84 days (4/12 weeks) before commencing employment.
   - parenting payment
   - youth allowance
   - JobSeeker payment
5. Gives notice to the employer that:
   - Met one of the applicable age requirements at the time they commenced employment (that is, they were either aged between 16 and 29, or between 30 and 35);
   - Meets the pre-employment condition; and
   - Has not provided such a notice to another entity of which they are currently an employee.
6. Is not any of the below:
   - If the entity is a sole trader - a relative of the sole trader
   - If the entity is a partnership - a partner of the partnership or a close associate of a partner in the partnership
   - If the entity is a trust (non-widely held) - the trustee or beneficiary of that trust or a close associate of a trustee a beneficiary of the trust
   - If the entity is a company (non-widely held) - a shareholder in the company or a director of the company or a close associate of a shareholder in or a director of the company
   - Was at any time between 6 April 2020 and 6 October 2020, engaged, other than as an employee, to perform a substantially similar rote or substantially similar functions or duties for the entity (for example, as a subcontractor)
   - Commenced employment with the entity 12 months or more before the first day of the period.

Key due dates

Period	JobMaker Period	STP reporting due date	Claim Period due Date
1	7 Oct 2020 - 6 Jan 2021	27 April 2021	1 Feb 2021 - 30 Apr 2021
2	7 Jan 2021 - 6 Apr 2021	28 July 2021	1 May 2021 - 31 Jul 2021
3	7 Apr 2021 - 6 Jul 2021	28 October 2021	1 Aug 2021 - 31 Oct 2021
4	7 Jul 2021 - Oct 2021	28 January 2022	1 Nov 2021 - 31 Jan 2022
5	7 Oct 2021 - 6 Jan 2022	27 April 2022	1 Feb 2022 - 30 Apr 2022
6	7 Jan 2022 - 6 Apr 2022	28 July 2022	1 May 2022 - 31 Jul 2022
7	7 Apr 2022 - 6 Jul 2022	28 October 2022	1 Aug 2022 - 31 Oct 2022
8	7 Jul 2022 - 6 Oct 2022	28 January 2023	1 Nov 2022 - 31 Jan 2023

Step 3 – Register (initial registration)

You only need to register once. You must register by the due date for the first JobMaker period you are claiming for. E.g. if you want to make a claim for the first JobMaker period, you must register by 30 April 2021. Refer to key due dates below.

To complete your registration for the JobMaker Hiring Credit provide your:

- baseline headcount
- baseline payroll amount

Step 4 – Report your new employees via STP

Report your new employees through Single Touch Payroll by the STP reporting due date, 3 days before due date of JobMaker claim. See key due dates below Provide the following details:

1. Tax File Number
2. date of birth
3. full name
4. date employment commenced and ceased (if within JobMaker period)
5. whether the employee met the average hours of work requirement.

Step 5 – Lodge your claim

Lodge your claim by the due date for each period via ATO online services or the Business Portal. See claim period/claim due date in key due dates. Provide the following details for the period.

1. the total payroll expenses
2. the baseline payroll amount
3. the total headcount at the end of the period
4. the baseline headcount
5. confirmation that each employee included in the claim calculation is an eligible additional employee (including that the minimum hours test has been satisfied)
6. your bank details

Step 6 – Get paid! Declare it.

Broadly, you get $200 / $100 per week for younger/ older employees but subject to various caps.. Your JobMaker credit amount is the lesser of your headcount amount and your payroll increase.

Declare your credit as assessable income in your tax return. NB: No need to include in BAS as not subject to GST.

How much credit will you get?

Headcount amount:

Step 1: Work out total counted days = A + B

A. [total number of days each new younger employee was employed]

B. [total number of days each new older employee was employed]

NB: Disregard days continuously employed for more than 12 months

Step 2: Work out maximum payable days = [number of days in period] x headcount increase

Step 3: It your total counted days is less than the maximum payable days then you JobMaker credit amount is:

[A + 7 x $200]
\+
[B + 7 x $100]

Step 4: If total counted days is more than maximum payable days, use the formula in Step 3 but reduce the number of days used in A and B to the maximum payable days. Reduce the older employee days first.

Did you have a headcount increase?

For the first 4 periods…

You have a headcount increase if:

Headcount for the period (1) > Baseline headcount (2)

1. Headcount on last day of the period (end of day)
2. Headcount on 30 Sept 2020

Examples

- For the 1st period, headcount on 6 Jan 2021 > 30 Sept 2020
- For the 3rd period, headcount on 6 Jut 2021 > 30 Sept 2020

For the 5th to 8th periods…

We're not sure… it's bloody complicated! To be updated later when further guidance and a calculator is released (hopefully). Don't worry, you won't need it until the 5th period starting 7 Oct 2021.

Example 1.

Grogu Co has 8 employees on 30 Sept 2020 (baseline headcount). During the first period, 1 employee resigned, and 3 new employees were hired. On the last day of period, 1, 6 Jan 2021, Grogu had 10 employees (headcount for the period) Grogu has a headcount increase of 2.

Did you have a payroll increase?

You have a payroll increase if:

Payroll for the period > Baseline payroll around 30 Sept 2020 qtr

Step 1: Work out your payroll during the JobMaker period e.g. 1st period, including (but exclude termination payments)

1. Salary, wages, commission, bonus allowance
2. PAYG withholding
3. Salary sacrificed super.

Step 2: Work out your baseline payroll amount in the reference period.

1. Work out how many days in the period of period 1 has 92 days
2. Take the period ended 6 Oct 2020 as the reference period. To get the start date, work backwards to get to the same number of days in period 1. E.g. for 92 days, take 7 Jul 2020 as the start date, thus the reference period 7 Jul 2020 - 6 Oct 2020.
3. Work out the payroll for that reference period.

Step 3: Compare Step 1 and 2 amounts. If 1 > 2, you have on excess payroll amount and thus a payroll increase.

Example 2

During the first period Grogu's total payroll for the period is $102,500. As there are 92 days in period 1, the reference period for the baseline payroll amount is the 92-day period ending on 6 Oct 2020 (staring 7 Jul 2020). Grogu's total payroll in the reference period is $83,300 (baseline payroll). Grogu'spayroll for the period is higher than its baseline payroll . Thus, Grogu had a payroll increase of $14,200.

Example 3

From example 1, in period 1, Grogu had 3 new employees who were employed tor the following number of days:

- Employee 1 (age: 21) - 67 days
- Employee 2 (age: 26) - 67 days
- Employee 3 (age: 35) - 60 days

NB: Grogus headcount increase was only 2 because one employee left. Thus, maximum payable days cap may apply.

Step 1: Total counted days = 67+67+60 = 194 days
Step 2: Maximum payable days = 92 days x 2 = 184 days
Step 3: N/A
Step 4: Older employee days need to be reduced by 10 days

[134 days + 7 x $200]
\+
[(60 days - 10 days) - 7 x $100)]
=
$4,543

The credit payable to Grogu is the lesser of the headcount amount, $4,513 and its payroll increase ($14,200 from example 2).Therefore Grogu gets $4,543.

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