



JobKeeper – Alternative Tests

Examples

Example 1 – Commencement of a business

Greenfield Pharmacy (Greenfield) assesses its eligibility for the JobKeeper program on 30 April 2020 (i.e. April is the applicable test period) based on a GST turnover for April 2020 of \$90,000. The relevant comparison period is not available because Greenfield commenced business on 14 October 2019. The following monthly current GST turnovers have been recorded by Greenfield:

Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020
\$40,000	\$100,000	\$110,000	\$120,000	\$120,000	\$150,000	\$90,000

Under the **first alternative test**:

The average monthly GST turnover for each whole month after the pharmacy commenced, being November 2019 to March 2020 is \$120,000.

The GST turnover for April 2020 of \$90,000 is 25% lower than the calculated \$120,000 average monthly GST turnover, falling short of the 30% decline required to pass the turnover test.

Under the **second alternative test**:

The average monthly GST turnover for the 3 months immediately before April 2020, being January to March 2020, is \$130,000.

The GST turnover for April 2020 of \$90,000 is 31% lower than the calculated \$130,000 average monthly GST turnover, therefore exceeding the 30% decline required to pass the turnover test.

Greenfield passes the turnover eligibility requirement for the JobKeeper program under the second alternative test.

Example 2 – Acquisition of a business

Jack and Max formed a partnership (J&M) 2015 when they purchased Ferny Pharmacy. On 14 October 2019 they purchased Bunya Pharmacy using their existing partnership. J&M assesses its eligibility for the JobKeeper program on 30 April 2020 (i.e. April is the applicable test period) based on a GST turnover for both stores owned by the partnership for April 2020 of \$300,000. The alternative decline in turnover test will apply to J&M as it acquired part of its business after the relevant comparable period (April 2019) and the acquisition changed their turnover. The following monthly current GST turnovers have been recorded by J&M:

Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020
\$270,000	\$360,000	\$380,000	\$340,000	\$350,000	\$450,000	\$240,000

Under the **alternative test**:

J&M compares the projected GST turnover for April 2020 of \$240,000 with the current GST turnover for November 2019 of \$360,000 and finds it falls short by \$120,000 or 33.33%, which is more than required 30%.

The alternative decline in turnover test is satisfied and J&M passes the turnover eligibility requirement for the JobKeeper program.

Example 3 – Substantial increase in turnover

In November 2018 Tom relocated his pharmacy within the shopping centre to a larger store size and at the same time rebranded to a discount model focused on a higher sales volume. Sales were initially low though they have predominately been increasing month on month.

Tom assesses his eligibility for the JobKeeper program on 30 April 2020 (i.e. April is the applicable test period) based on a GST turnover for April 2020 of \$380,000. As the turnover has been increasing month on month, Tom applies the substantial increase turnover test as follows:

Test	12 Month (50%)	6 Month (25%)	3 Month (12.5%)
Comparable Period	March 2019	September 2019	December 2019
Comparable Turnover	\$450,000	\$510,000	\$590,000
March 2020 Turnover	\$650,000	\$650,000	\$650,000
% Increase	44.4%	27.5%	10.2%
Required Increase	50%	25%	12.5%
Test satisfied	No	Yes	No

Tom satisfies the substantial increase in turnover and can therefore applied the **alternative test** as follows:

Tom compares the GST turnover for April 2020 of \$380,000 to one-third of the GST turnover for the three months immediately before the test period, being:

$$(\text{January } \$460,000 + \text{February } \$540,000 + \text{March } \$650,000) / 3 = \$550,000$$

Therefore, the April 2020 turnover of \$380,000 is less than the comparable GST turnover of \$550,000 by 31%, which is more than the required 30%.

The alternative decline in turnover test is satisfied and Tom passes the turnover eligibility requirement for the JobKeeper program.

This factsheet provides high level examples and is based on Pitcher Partners interpretation of the Rules at the date and time published. It is not a substitute for advice on specific matters

If you would like to discuss and review your situation, please contact your Pitcher Partners adviser to determine what action is required based on your position.



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