



JobKeeper Payments

Key messages May 2020

Non-Government schools

Decline in turnover test

The turnover test requires you to determine the value of the supplies you make in the 2019 and 2020 turnover test periods you are using. Education services are generally supplied on a progressive basis throughout the years, but the fees for those services will be invoiced or received at various points in time, depending on the circumstances. The ATO will accept you determining the value of those services by spreading the fees and grants for those services over the period to which they relate.

General guidance on the basic decline in turnover test is set out in [Law Companion Ruling \(LCR 2020/1 JobKeeper payment – decline in turnover test\)](#). This includes alternative practical compliance approaches for calculating turnover.

Depending on which method is used to calculate turnover, the ATO recognises it may produce a different result in terms of eligibility for JobKeeper payments. Entities (including schools) will need to ensure that they keep reasonable records documenting how they applied the method they used.

The ATO expects entities (including schools) that use alternative methods for calculating their GST turnover to apply them in good faith. For example, the ATO would be concerned if a school in 2020 changed the time they issued invoices or deferred payment of school fees (compared to 2019). In those cases, the ATO would seek to understand the reason for the change

The ATO has provided guidance on the [decline in turnover test](#) on the ato.gov.au website.

Compliance

Eligibility for JobKeeper payments is a self-assessment process, but the ATO may review your eligibility. The ATO will expect to see the records you have prepared to explain how you determined your eligibility for JobKeeper payments.

If your school receives a JobKeeper payment and we later determine that it was not entitled to that payment (or was entitled to a lesser amount), the school will be required to repay the overpaid amount and may be subject to interest and other penalties.

Where you make an honest mistake in determining your eligibility for JobKeeper payments we will take that into account in determining what compliance action we take. Our compliance focus will be particularly directed toward schemes where there has not been a genuine fall in turnover in substance, but arrangements are contrived to ensure the turnover test is satisfied. See [Practical Compliance Guideline \(PCG 2020/4 Schemes in relation to the JobKeeper payment\)](#).

What attracts ATO attention?

Examples of arrangements that may attract the ATO's attention, include deferring the making of supplies and bringing forward the making of supplies solely to obtain the JobKeeper payment. Additionally, broad discounts being offered that are not linked to financial difficulties being suffered by those paying for school services will also attract our attention. These examples will be of particular interest if it is determined they are contrived or artificial arrangements put in place solely to obtain a benefit.

As a matter of course, the ATO also actively considers and assesses information that suggests individuals or entities (including schools) may not be acting in accordance with their obligations. Where, as a result of an assessment, the ATO forms a view that it is necessary to take appropriate action, the ATO will do so.

Keeping good records

It is important that entities (including schools) keep good records of how they determined their eligibility including:

- the methods used to calculate the decline in turnover and the reasonable steps taken to align with ATO advice
- individuals claimed for were eligible employees at the relevant dates
- the significant impact of the external operating environment on the employer.