

Processing JobKeeper Extension in Xero

How to ensure your payroll is correctly set up for JobKeeper Extension

Once you have met the eligibility criteria, enrolled for JobKeeper through the ATO Business Portal, have completed employee nomination forms, enrolled for JobKeeper for your employees in Xero – then we can work out what needs to be done in Xero.



Tier 1	Tier 2
Payment of \$1,000 per fortnight (before tax)	Payment of \$650 per fortnight (before tax)
Eligible employees who were working for 20 hours or more a week on average in the four weeks of pay periods before either 1 March 2020 or 1 July 2020	This rate applies to all other eligible employees. E.g. an employee who worked less than 20 hours in the four weeks of pay periods before either 1 March 2020 or 1 July 2020

1. Continue on with JobKeeper

If you are continuing on with the JobKeeper program, there are a few things that need to happen.

Demonstrate Actual Decline to Continue in JobKeeper Program (Business Portal)

To remain eligible for JobKeeper extension one you need to demonstrate that you satisfy the ACTUAL decline in turnover for the December 2020 quarter (October, November and December) relative to a comparable period (generally October, November and December 2019).

Identify Employee's Payment Tier (Business Portal)

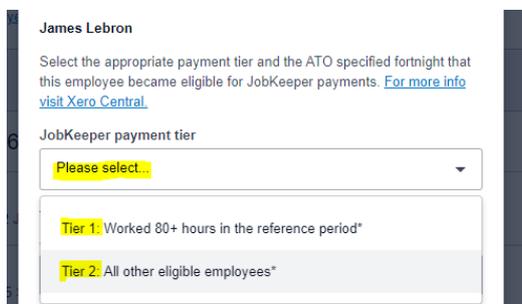
You will need to select which payment tier you're claiming for each eligible employment before your first monthly business declaration in November.

Set Payment Tier to Each Employee (Xero)

1. In the blue Payroll menu > select Pay employees
2. Click the 'Payroll support page' link (in the JobKeeper banner)
3. Click 'Enrolment Settings' which is beside 'Are employees eligible?'



4. Next to the relevant employee's name click on 'Set Tier'
5. Under JobKeeper payment tier, select the relevant tier and Save for Reporting



Meet Wage Condition (Xero and Wage Payments)

For eligible employees, you need to meet their relevant Tier's minimum payment (see table on Page 1). For example, you need to have paid (at least) \$2,000 for the fortnights relating to the January declaration for Tier 1 employees.

If your employees are requiring JobKeeper Payment top-ups to meet the minimum payment requirement you will need to adjust this in their Pay Template.

1. Click on the blue Payroll menu > Select Employees
2. Select a relevant employee
3. Click on their Pay Template tab
4. Adjust their JobKeeper Payment top-up amount so that they meet their Tier's minimum payment.

The calculation = Relevant Payment Tier – Ordinary Hour Payment = JK Top Up

Pay Template

Earnings Rate	Hours	Rate	Total
Ordinary Hours	20.0000	35.000000	700.00
JobKeeper Payment top up			Fixed Amount 800.00

+ Add Earnings Line

Please also ensure your bank payments to your employees are adjusted accordingly.

2. No Longer Eligible – How to Stop JobKeeper in Xero

When you are no longer eligible (or wish to stop the JobKeeper program), the only actions required are to end JobKeeper in Xero. The ATO have no requirements for ending JobKeeper – as you will no longer be lodging your monthly business declaration.

Apply an End Fortnight to Employees

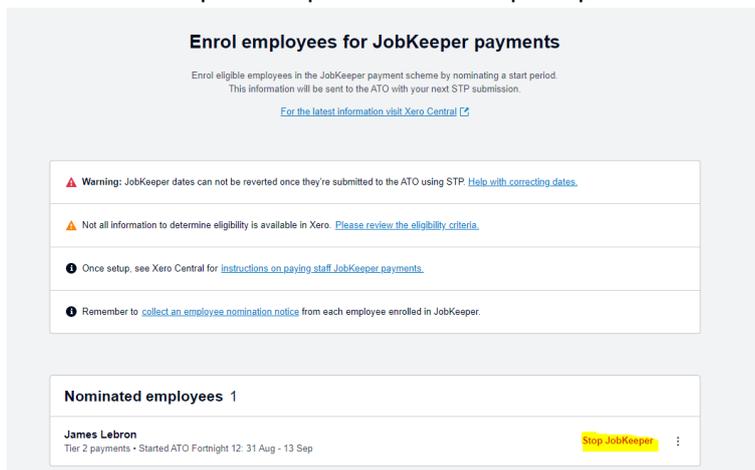
1. In the blue Payroll menu > select Pay employees
2. Click the 'Payroll support page' link (in the JobKeeper banner)
3. Click on 'Enrolment Settings' beside 'Have employees become ineligible?'

JobKeeper extension

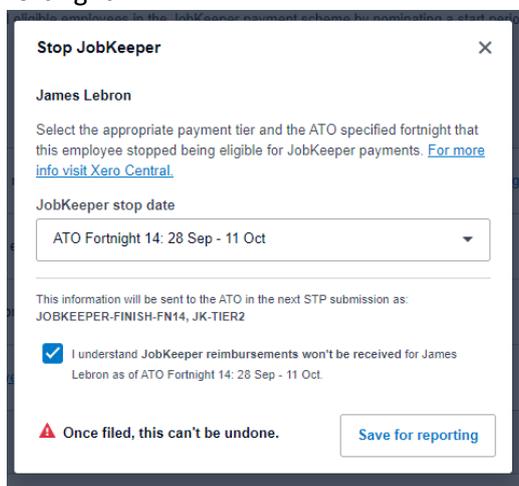
New

Find out if JobKeeper changes apply to your business	Xero instructions
Are employees eligible? — Set a payment tier for each eligible employee	Enrolment settings
Have employees become ineligible? — Specify a JobKeeper stop date	Enrolment settings

- You will now see a list of Nominated employees.
Click on the 'Stop JobKeeper' red text to open up the window



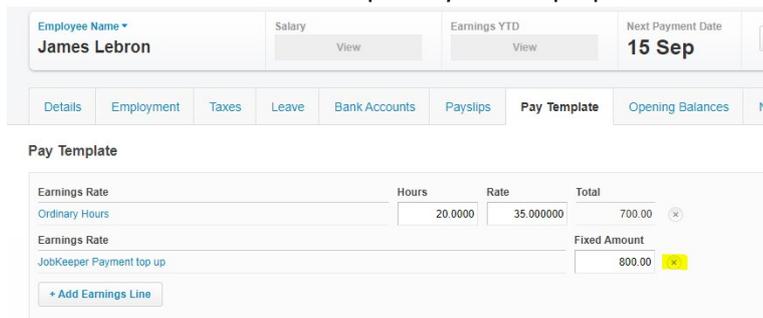
- Under the JobKeeper stop date drop-down, **select the first ATO fortnight where your employee will no longer receive the JobKeeper allowance.** Then click the Save button. The ATO will be sent to ATO when you next file with STP.
E.g. If the last JobKeeper payment falls in fortnight 3 – then the stop date will be fortnight 4



Stop Paying JobKeeper Amounts (in Xero Pay Template)

When you are no longer eligible for JobKeeper, you no longer need to make top-ups to your employees. This is only relevant for those employers who have needed to top-up their employees pay – usually for part-timers.

- In the blue Payroll menu > select Employees
- Click on a relevant employee
- Click on their Pay Template tab
- Click the 'x' beside the JobKeeper Payment top-up



5. Click the green 'Save' button at the bottom of that page – and you are done. They will now be paid according to their Ordinary Hours.

3. Newly Eligible

If you have become newly eligible for the JobKeeper program, there are quite a few steps involved. Before you start processing this, please ensure your enrolment with the ATO.

Enrolment in Xero

1. Once logged into Xero, navigate to the Payroll menu (in the blue menu) > then click on Pay employees
2. Click on the link 'visit our Payroll support page' in the COVID-19 banner
3. You'll be taken to a 'Payroll support during COVID-19' page which lists out all the different steps to prepare for JobKeeper payments. By this stage you should have already determined your eligibility to receive JobKeeper and also enrolled for the JobKeeper scheme in the ATO Business Portal. Xero also remind you in point 3 that you need to set up Single Touch Payroll (STP) if you haven't already.

Click on point 4 – Enrol employees for JobKeeper payments

Alternatively, if you click this link it will take you to the same page:

<https://payroll.xero.com/SingleTouch/covid19?CID=!7mCnZ>

Payroll support during COVID-19 About JobKeeper settings

Government support

The government has introduced the JobKeeper payment scheme to help keep more Australians in jobs and support businesses affected by the significant economic impact caused by COVID-19.

[For the latest information visit Xero Central](#)

Getting ready for JobKeeper payments

1. Check if your business is eligible using Xero's turnover calculator	Turnover calculator >
2. Enrol your business in the JobKeeper payment scheme with the ATO	ATO enrolment ↗
3. Set up Single Touch Payroll	You're set up with STP ✓
4. Enrol employees for JobKeeper payments	Enrol employees >
5. Update your JobKeeper pay items to report correctly to the ATO	Xero Instructions ↗
6. Report your pay runs to the ATO by filing with STP as soon as possible	Single Touch Payroll >
7. Complete your monthly declaration with the ATO	Monthly declaration ↗

4. Xero will compare your payroll data to the government's criteria and will suggest a list of employees who are likely to be eligible. For those that are eligible, you will need to click 'Start JobKeeper' and select the fortnight in which you want each employee's JobKeeper payment to start as well as their relevant Tier. Then Save for reporting.

Potentially eligible* 6	
James Lebron Full-time employment • Employed 2 Jul 2019 • Age 34 • Resident	Start JobKeeper
Odette Garrison Part-time employment • Employed 5 Sep 2019 • Age 37 • Resident	Start JobKeeper
Oliver Gray Full-time employment • Employed 3 Dec 2019 • Age 47 • Resident	Start JobKeeper
Sally Martin Full-time employment • Employed 1 Jun 2020 • Age 29 • Resident	Start JobKeeper

Start JobKeeper ✕

Odette Garrison

Select the appropriate payment tier and the ATO specified fortnight that this employee became eligible for JobKeeper payments. [For more info visit Xero Central.](#)

JobKeeper payment tier

Tier 1: Worked 80+ hours in the reference period*

[*Read Government advice on JobKeeper payment tiers](#)

JobKeeper start date

ATO Fortnight 13: 14 Sep - 27 Sep

This information will be sent to the ATO in the next STP submission as:
JOBKEEPER-START-FN13, JK-TIER1

⚠ Once filed, this can't be undone. [Save for reporting](#)

Meet Wage Condition

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If your employees are requiring JobKeeper Payment top-ups to meet the minimum payment requirement you will need to adjust this in their Pay Template.

5. Click on the blue Payroll menu > Select Employees
6. Select a relevant employee
7. Click on their Pay Template tab
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