



Small Business Grant

The Small Business Grant is designed to encourage small businesses that do not pay payroll tax to employ new full-time, part-time and casual workers, and expand their business in NSW.

Businesses that increase the number of NSW Full-Time Equivalent (NSW FTE) employees will receive a grant for each additional NSW employee in a new position at the anniversary date of employment.

A business' NSW FTE employees is the total paid hours worked by all NSW employees (i.e. full-time, part-time and casual) during a week divided by the average hours worked by a full-time employee.

Application for registration

Employers are required to register their business and the employment of a person in a position that is a new job. When registering a new job, employers are required to advise the number of NSW FTE employees immediately before the position was filled.

Registration for the grant can be made within 60 days after the employment starts.

Register for the grant at www.osr.nsw.gov.au/info/online/sbg

Eligible businesses

To be eligible for the grant your business:

- must have an active Australian Business Number (ABN)
- is not liable to pay payroll tax for a financial year, if any part of that financial year falls within the grant period.

Eligible employment

The employment of a person is eligible for the grant if:

- the person is employed in a position that is a new job
- the employment commences on or after 1 July 2015 and before 1 July 2019
- the employment is maintained for a period of 12-months
- your number of NSW FTE employees, prior to creating a new position increases and is maintained over a 12-month period
- the services of the employee are performed wholly or mainly in NSW.

New job

A new job is created if the number of your NSW FTE employees increases and the number is maintained over a 12-month period from the creation of the new position.

The Chief Commissioner may refuse to pay the grant if your NSW FTE employees decreases for more than 30 days during the 12-month period.

Calculation of the number of NSW FTE employees

You can calculate your NSW FTE employees using either the online application or the formula below.

$F = A/B$, where:

F = the number of full-time NSW employees on that date

A = the total number of hours worked in the preceding pay period by all part-time NSW employees employed on that date

B = the average number of hours worked in the preceding pay period by all full-time NSW employees employed on that date.

You will need to calculate your NSW FTE employees before you hire a new employee and on the 12-month anniversary of a new employee starting.

The Chief Commissioner may agree to an alternative method of calculating the number of NSW FTE employees if it is too difficult or costly to determine the exact figures.

Minimum employment period

To be eligible for the grant, the minimum employment period is 12-months starting on the date the employment is claimed to commence.

Employment is maintained if there is always a person employed in the position.

A vacancy in a position can be disregarded if the number of days the position was vacant does not exceed a total of 30 days.

The grant may be paid if the 30 days are exceeded but only if the Chief Commissioner is satisfied that the length of the vacancy is beyond the employer's control. In this case the grant will be paid on a pro-rata basis.

Excluded employment

The employment of a person by an employer is excluded from the grant if:

- the person engaged by your business is not considered a common law employee
- the person was employed by the employer claiming the grant in the previous 12-months
- any wages paid by the employer to the person are exempt wages within the meaning of the *Payroll Tax Act 2007*
- a rebate, subsidy or other assistance is payable to the employer for the employment of the person by the State
- the employer is the Crown in right of NSW or in any of its other capacities
- the employer is a public, local or municipal body or authority.

Common Law Employee

Only workers you engage as employees will be eligible for the grant.

An employee works in your business and is part of your business, whereas a contractor is running their own business and provides services to your business. Contractors and employment agency workers are considered not to be employees.

For further information on determining whether or not a worker is performing their services as an employee view Revenue ruling PTA 038 – Determining whether a worker is an employee at www.osr.nsw.gov.au/info/legislation/rulings/payroll/PTA038

MORE INFORMATION



www.osr.nsw.gov.au



1300 241 869
8:30 am – 5:00 pm
Monday to Friday



business.grants@osr.nsw.gov.au

Help in community languages is available.

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Exempt wages

You will not be eligible for the grant if you pay wages to employees working in:

- a religious institution
- a public benevolent institution
- a non-profit organisation whose objectives are solely or dominantly for charitable, benevolent, philanthropic or patriotic purposes
- a public hospital
- a non-profit hospital that is carried on by a society or association
- public and private schools or educational institutions that provide education at the secondary level or below
- a non-profit Group Training Organisation (GTO) that is approved by the Director-General of the Department of Education and Communities.

Claiming the grant

You can claim the grant through the Small Business Grant online application at www.osr.nsw.gov.au/info/online/sbg

A claim may be lodged:

- within 60 days after the 12-month anniversary date
- if the employment is eligible employment.

Supporting evidence

You must provide supporting evidence when claiming the grant.

Supporting evidence may include but is not limited to your:

- most recent Business Activity Statement (BAS)
- personnel or wage records
- Workcover records.

Payment of the grant

The grant is a one off payment per new position and is paid by Electronic Funds Transfer when a claim is made.

For full-time employees, the grant amount is \$2000.

In the case of part-time or casual employees, the grant amount will be pro-rated based on FTE hours of employment. The amount payable on the anniversary is based on the formula $G \times C/D$, where:

G = the annual grant amount

C = the number of hours worked by the employee during the previous 12-months

D = the average number of hours worked by full-time employees during the previous 12-months.