

Irish Government support for those affected by COVID-19 (Coronavirus)

Revenue announces measures to assist SMEs experiencing cash flow difficulties arising from COVID-19

Revenue has released a statement on measures to assist SMEs experiencing cash-flow difficulties arising from COVID-19, which we reproduce below:

Having regard to the measures announced by An Taoiseach to interrupt the transmission of COVID-19, Revenue outlined some key advice and actions taken to assist small and medium enterprise (SME) businesses experiencing cash flow and trading difficulties arising from the impacts of the virus.

Revenue issued key advice earlier this week to businesses experiencing tax payment difficulties and appreciates that such difficulties can cause worries for businesses in terms of their ability to keep an otherwise good tax compliance record on the track. Businesses must know that Revenue has a long history of working very successfully with taxpayers to resolve their tax payments difficulties.

Revenue has provided the following updated advice which will further assist businesses that are experiencing trading difficulties caused by the impacts of COVID-19.

Information for SMEs

- **Tax Returns:** businesses experiencing temporary cash flow difficulties should continue to send in tax returns on time.
- **Application of Interest:** the application of interest on late payments is suspended for January/February VAT and both February and March PAYE (Employers) liabilities.
- **Debt Enforcement:** All debt enforcement activity is suspended until further notice.
- **Tax Clearance:** current tax clearance status will remain in place for all businesses over the coming months.

Information for Subcontractors

- **RCT (Relevant Contract Tax):** the RCT rate review scheduled to take place in March 2020 is suspended. This process assesses the current compliance position of each subcontractor in the eRCT system and determines their correct RCT deduction rate, i.e. 0%, 20% or 35%. As this process may result in a subcontractor's RCT rate increasing due to changes in their compliance position, the review is suspended.

- Subcontractors and agents are reminded that RCT rate reviews can be self-managed in ROS. Subcontractors can check if their rate should be lower and can then 'self-review' to get that lower deduction rate.

Information on importing goods

- **Customs:** critical pharmaceutical products and medicines will be given a Customs 'green routing' to facilitate uninterrupted importation and supply.

Businesses, other than SMEs, who are experiencing temporary cash flow or trading difficulties should contact the Collector-General's office on (01) 7383663. Alternatively, these businesses can engage directly with their branch contacts in Revenue's Large Corporates Division or Medium Enterprises Division.

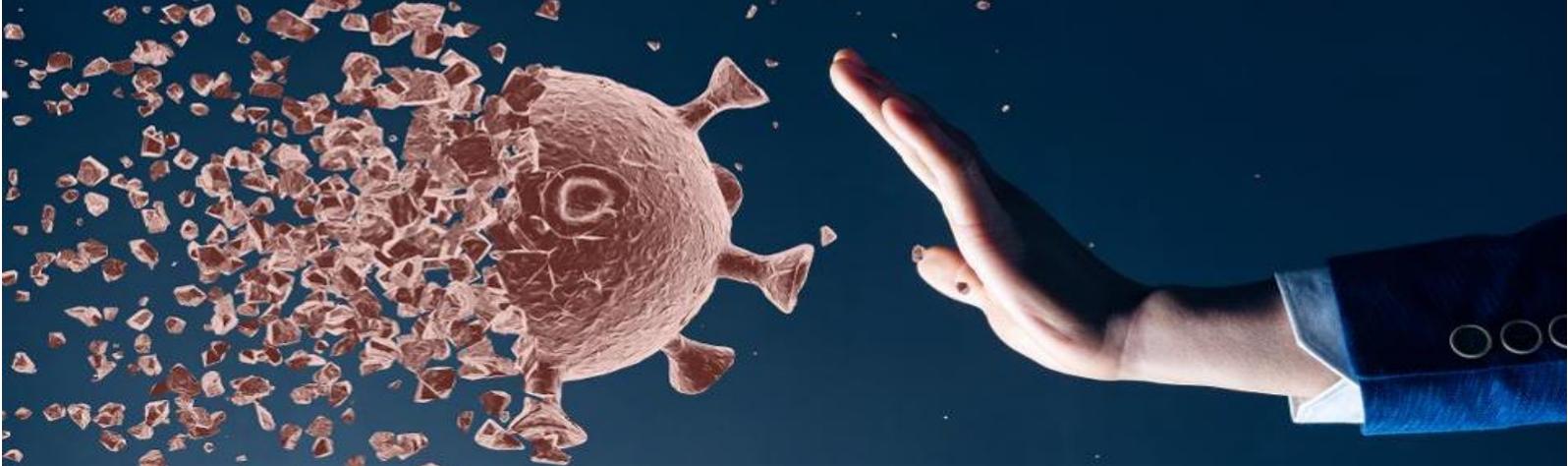
Revenue will continue to closely monitor the evolving situation regarding COVID-19 and will issue further updated guidance for businesses when required and particularly in good time before the March/April VAT returns, and other future returns are due.

All Revenue public offices, excluding ports, airports and trade facilitation stations, are closed to the public until further notice.

Government announces supports for businesses impacted by COVID-19

The Minister for Business, Enterprise and Innovation (DBEI) Heather Humphreys, T.D. has announced a package of supports for businesses impacted by COVID-19. These include:

- A €200m Strategic Banking Corporation of Ireland (SBCI) Working Capital Scheme for eligible businesses affected by COVID-19. Loans of up to €1.5m will be available at reduced rates, with up to the first €500,000 unsecured. Applications can be made via the SBCI website.
- A €200m package for Enterprise Supports, available through Enterprise Ireland, for vulnerable but viable firms that need to restructure or transform their business.
- An increase in the maximum loan available from MicroFinance Ireland (MFI) from €25,000 to €50,000, as an immediate measure to specifically deal with the exceptional circumstances that micro-enterprises are facing (i.e. sole traders and firms with up to 9 employees). Applications can be made through the MFI Website.



- The Credit Guarantee Scheme will be available to impacted businesses through the pillar banks, with loans of up to €1m available for terms up to 7 years.
- The Department of Employment Affairs and Social Protection (DEASP) and DBEI will provide a joint first responder support service through the Intreo Offices, Enterprise Ireland and IDA Ireland in each region to provide tailored supports to impacted firms, with the objective of avoiding mass lay-offs and buying firms time to work through short-term disruption.
- Short Term Work Support from the DEASP for firms that need to reduce days or hours worked.
- The range of Enterprise Ireland, IDA Ireland, Local Enterprise Office and Údaras na Gaeltachta supports will be available to help strategies to diversify markets and supply chains and improve competitiveness.
- Local Enterprise Offices in every county will be providing vouchers from €2,500 up to €10,000 (with 50:50 match funding) to support business continuity preparedness, innovation and productivity.

The DBEI has also published several checklists to help businesses, including a Continuity Planning: Checklist of preparatory actions in responding to COVID-19. It has also published printable posters and FAQs on COVID-19. We have attached these for your information.

Information for Employers and Employees

The Department of Employment Affairs and Social Protection are introducing measures to provide income support to people affected by COVID-19, the three major changes announced are as follows:

- the current 6-day waiting period for Illness Benefit will not apply to anyone who has COVID-19 (Coronavirus) or is in medically required self-isolation
- the personal rate of Illness Benefit will increase from €203 per week to €305 per week for a maximum of 2 weeks medically required self-isolation or for the full duration of absence from work following a confirmed diagnosis of COVID-19 (Coronavirus)
- the normal social insurance requirements for Illness Benefit will be changed or the means test for Supplementary Welfare Allowance will be removed.

Government has now urged all employers to support national public health objectives by continuing, as a minimum, to pay employees who cannot attend work due to Covid-19 illness or self-isolation the difference between the enhanced Illness Benefit rate and their normal wages.

This may be achieved through the employer considering a range of flexible working arrangements with their employees such as:

- compassionate leave
- allowing the employee to work remotely
- allowing the staff member to 'work-up' any time taken at a future date
- allowing the employee to avail of annual leave entitlements
- rearranging parental leave

For employees who do not receive enhanced illness benefit payment beyond the statutory levels and who still face financial distress, they can apply for additional emergency income support, in the form of Supplementary Welfare Allowance (based on a means test).

For those staff not on sick leave, but on temporary lay-off, the Irish government is asking employers, if possible, to continue to pay workers during this period at least the jobseeker rate of €203 per week.

The Minister for Employment Affairs and Social Protection has said:

“Where employers, who have to cease trading because of the impact of social distancing, continue to pay workers they will be able to claim refunds from the Department of Employment Affairs and Social Protection. A temporary refund scheme is being established for this purpose. This refund will be for €203 per worker per week. This means that workers retain their link with employers and there is no need for them personally to submit a jobseekers claim”.

This Minister explained that refunds will take some time to process and we will endeavour to keep you updated on the procedure implemented to obtain these refunds once confirmed by the DEASP.

For more information or further guidance please contact us on 01 836 5522 or email ciara@bkrm.ie.

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