

# Update: Support for those affected by COVID-19 (Coronavirus) in Ireland

## Introduction

The purpose of this document is to update you on the newsletter issued on 16 March 2020. The topics covered are as follows:

1. The Temporary COVID-19 Wage Subsidy Scheme
2. Illness Benefit for COVID-19 Absences
3. COVID-19 Pandemic Unemployment Payment
4. Short Time Work Support
5. Update to e-Working and Tax Manual
6. LPT deduction date changed to 21 May
7. Stamp duty on credit cards deferred to 1 July
8. Minister for Finance announces supports for bank borrowers
9. Update to annual return filing date for companies

### 1. The Temporary COVID-19 Wage Subsidy Scheme

This scheme is expected to last 12 weeks from 26 March 2020, it replaces the previous Employers COVID-19 Refund Scheme. Revenue has published the following information on it's website:

The Temporary Wage Subsidy Scheme will be available to employers who keep employees on the payroll throughout the COVID-19 pandemic, meaning employers can retain links with employees for when business picks up after the crisis.

Additionally, the operation of the scheme will reduce the burden on the Department of Employment Affairs and Social Protection (DEASP) which is dealing with the other COVID-19 related payments.

#### Key Features of the scheme:

- Replaces the previous COVID-19 Refund Scheme.
- Initially, and from this Thursday (26 March 2020), the subsidy scheme will refund

employers up to a maximum of €410 per each qualifying employee.

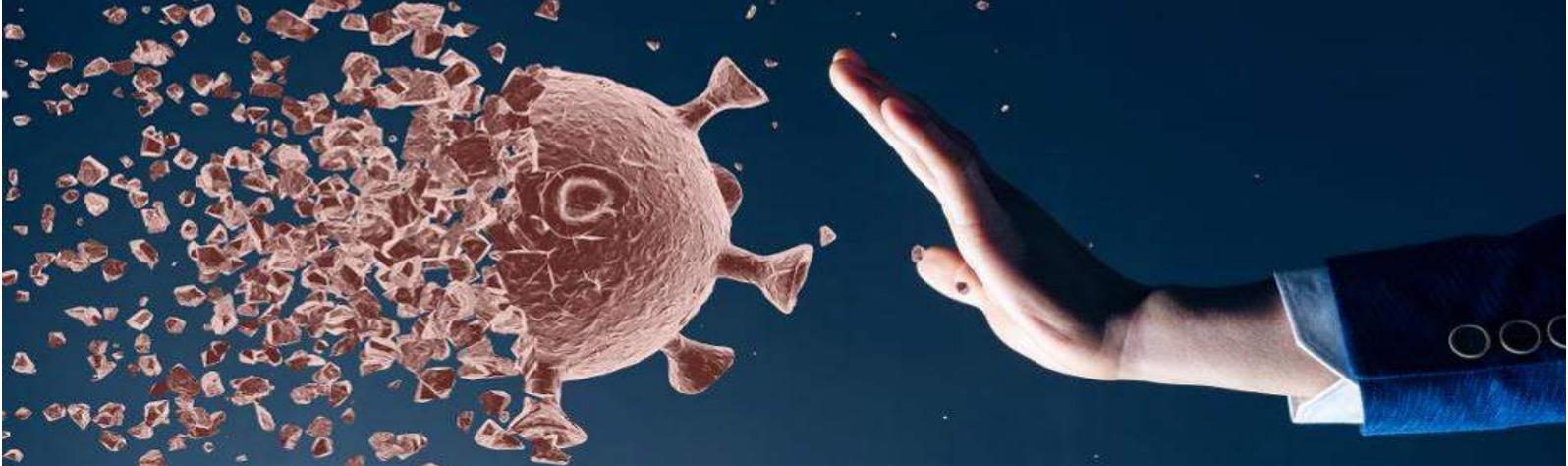
- However, employers should pay no more than the normal weekly net pay of the employee.
- The subsidy scheme applies both to employers who top up employees' wages and those that aren't in a position to do so.
- Employers make this special support payment to their employees through their normal payroll process.
- Employers will then be reimbursed for amounts paid to employees and notified to Revenue via the payroll process.
- The reimbursement will, in general, be made within two working days after receipt of the payroll submission.
- In April, the scheme will move to a subsidy payment based on 70% of the normal net weekly pay for each employee up to a maximum of €410\*.
- Income tax and USC will not be applied to the subsidy payment through the payroll.
- Employee PRSI will not apply to the subsidy or any top up payment by the employer.
- Employer's PRSI will not apply to the subsidy and will be reduced from 11.05% to 0.5% on the top up payment.

\* (details on this will be made available by Revenue in due course)

#### Who does the scheme apply to?

The Scheme is available to employers from all sectors (excluding the public service and non-commercial semi-state sector) whose business activities are being adversely impacted by the COVID-19 pandemic.

It is open to employers who retain staff on payroll; some of the staff may be temporarily not working or some may be on reduced hours and/or reduced pay. Provided the employer meets the conditions set out below and subject to the levels of pay to the



employees the employer may be eligible for the scheme for some or all of its employees.

#### **To qualify for the scheme, employers must:**

- be experiencing significant negative economic disruption due to Covid-19
- be able to demonstrate, to the satisfaction of Revenue, a minimum of a 25% decline in turnover
- be unable to pay normal wages and normal outgoings fully and
- retain their employees on the payroll.

The Scheme is confined to employees who were on the employer's payroll as at 29 February 2020, and for whom a payroll submission has already been

made to Revenue in the period from 1 February 2020 to 15 March 2020.

After the scheme has expired, the names of all employers operating the scheme will be published on Revenue's website.

#### **Registering for the Temporary Wage Subsidy Scheme**

Any employer, already registered with Revenue for the purposes of the Employer COVID-19 Refund Scheme, is not required to take any further action.

The employer may make payroll submissions from 26 March 2020 under the subsidy scheme arrangements on the same basis as they were doing for the Employer Refund Scheme, and €410 will be refunded in respect of each eligible employee per week.

Employers, or their agents, wishing to register for the scheme can apply to Revenue by carrying out the following steps:

- Log on to ROS myEnquiries and select the category 'Covid-19: Temporary Wage Subsidy'.
- Read the "Covid-19: Temporary Wage Subsidy Self-Declaration" and press the 'Submit' button.
- Ensure bank account details on Revenue record are correct. These can be checked

in ROS and in 'Manage bank accounts', 'Manage EFT', enter the refund bank account that the refund is to be made to.

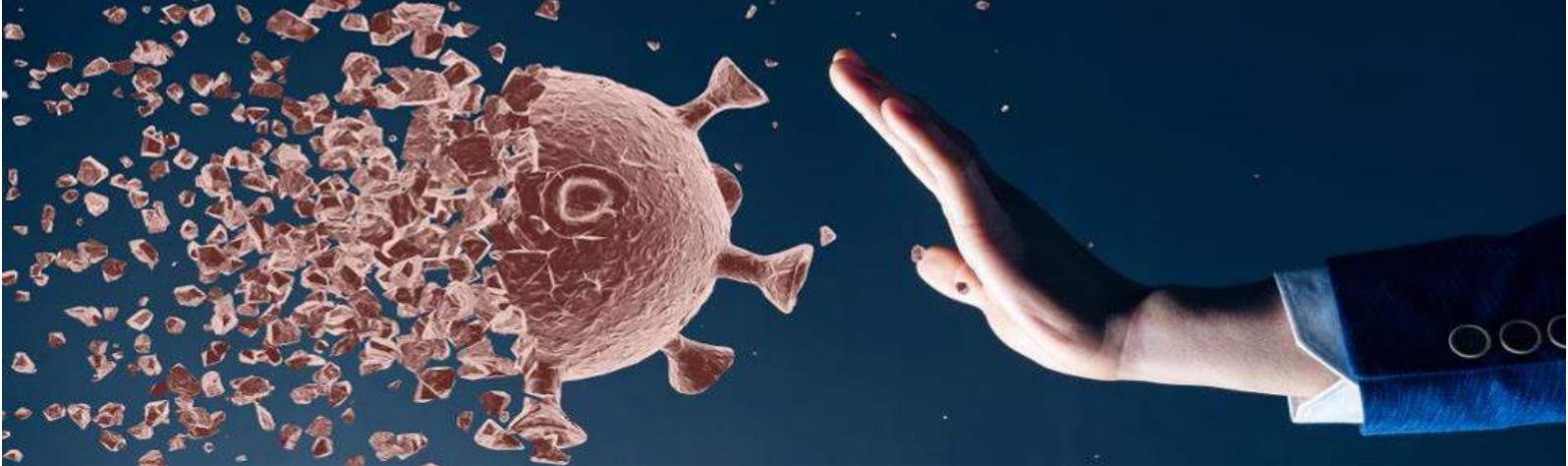
#### **Operating the scheme from Thursday 26 March 2020**

As outlined above, in April the scheme will move to a subsidy payment based on each employee's normal net weekly pay (see further information below). In the interim, the subsidy scheme will initially refund employers up to a maximum of €410 per each qualifying employee regardless of the employee's income. However, for administrative purposes and to allow for future reconciliation of subsidy payments made, employers should enter the following details when running their payroll:

- Set PRSI Class to J9.
- Enter a non-taxable amount equal to 70% of the employee's net weekly pay to:
- a maximum of €410 per week where the average net weekly pay is less than or equal to €586, or
- a maximum of €350 per week where the average net weekly pay is greater than €586 and less than or equal to €960.
- If an employer is not making any top up payment to the employee, they should include a pay amount of €0.01 in Gross Pay.
- If an employer is making a top up payment to the employee, they should include this amount in the Gross Pay.
- It is important that employers do not include the Temporary Wage Subsidy payment in Gross Pay.
- The total net pay (temporary wage subsidy and additional pay) must not exceed previous normal pay.
- The payroll submission must include pay frequency and period number.

Income tax, USC, LPT, if applicable, and PRSI are not deducted from the Temporary Wage Subsidy. However, the Subsidy will be liable to Income Tax and USC on review at the end of the year.

In many cases the payment of the Temporary Wage Subsidy and any additional income paid by the



employer will result in the refund of Income Tax or USC already paid by the employee. Any Income Tax and USC refunds that arise as a result of the application of tax credits and rate bands can be repaid by the employer and Revenue will also refund this amount to the employer.

Employers must not operate this scheme for any employee who is making a claim for duplicate support (e.g. Pandemic Unemployment Payment) from the DEASP. Where an employee previously laid off has been re-hired, the employee will qualify for the Subsidy scheme if their DEASP claim is ceased.

Based on the information provided in payroll submissions and adherence to the maximum limits, described above, Revenue will credit employers with the Temporary Wage Subsidy paid to each employee.

Penalties will apply to any abuse of the Subsidy scheme by self-declaring incorrectly, not providing funds to employees or non-adherence to Revenue, and any other relevant, guidelines.

### **Subsidy payment based on each employee's income**

From no later than 20 April 2020, the operation of the scheme will ensure that the Subsidy paid to employers will be based on each individual employee's average net weekly pay, subject to the maximum weekly tax-free amounts. Further information on how these arrangements will work will issue shortly.

### **Guidance/Information**

For general issues relating to the scheme, employers should contact Revenue's National Employer Helpdesk via the myEnquiries system, providing details of the query and a direct dial contact number.

Employers should make sure to select 'Employer's PAYE' and then 'Employer's PAYE General Enquiry' when submitting the query through myEnquiries in ROS.

## **2. Illness Benefit for COVID-19 Absences**

The rate was increased from €305 to €350 on 24 March 2020.

To qualify for the benefit, a person must be:

- self-isolating on the instruction of a doctor or the HSE or diagnosed with COVID-19 (Coronavirus)
- be absent from work and confined to your home or a medical facility

It will be paid for a maximum of 2 weeks where a person is self-isolating and for a maximum of 10 weeks if a person has been diagnosed with COVID-19 (Coronavirus). If a person has been certified for less than 10 weeks, they will be paid for the duration of their certificate.

Details on how to apply can be found on the [Gov.ie](https://www.gov.ie) website.

## **3. COVID-19 Pandemic Unemployment Payment**

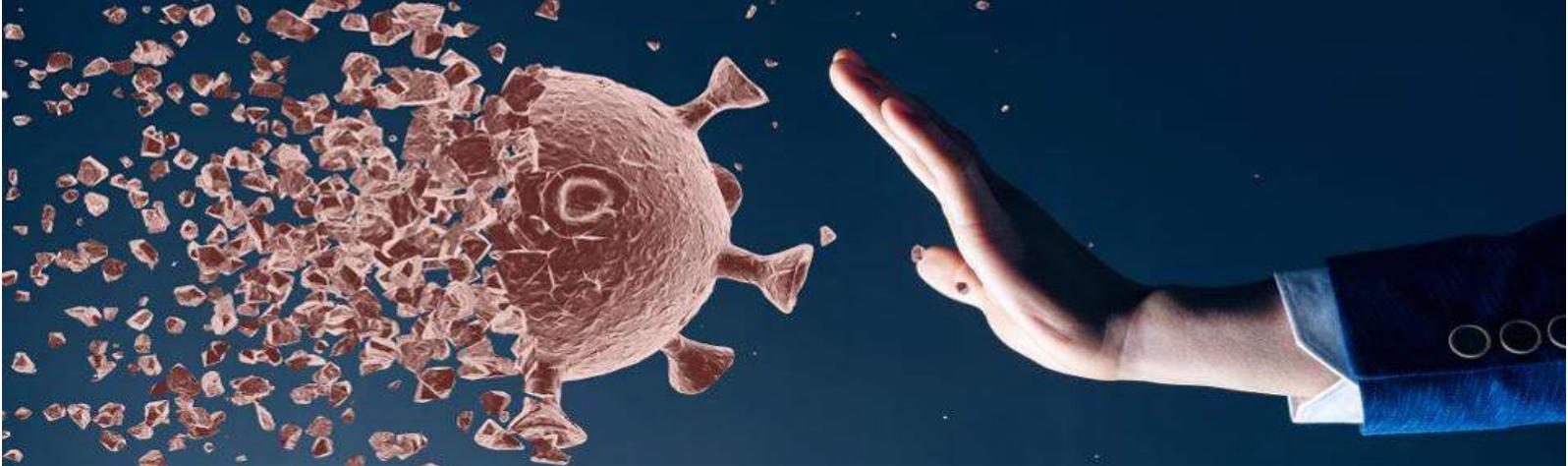
The COVID-19 Pandemic Unemployment Payment increased from €203 per week to €350 per week from 24 March 2020. The payment is available to all employees and the self-employed who have lost their job due to the COVID-19 pandemic.

Individuals can apply online at [mywelfare.ie](https://mywelfare.ie) where they can set up a MyGovID account.

## **4. Short Time Work Support**

Where an individual has been temporarily placed on a shorter working, they may qualify for the Short Time Work Support. The individual must be:

- temporarily working a standard reduced weekly work pattern
- working 3 days or less per week having previously worked full-time
- be under 66 years of age
- be capable of work and be available for full-time work
- have enough paid or credited social insurance (PRSI) contributions at class A, H, S or P



The rate of payment will depend on an individual's average weekly earnings in the governing contribution year and the change in their work pattern.

The quickest way to apply is through MyWelfare.ie.

#### **5. Update to e-Working and Tax Manual**

Revenue has updated the e-Working and Tax Manual to reflect the current circumstances in which the Government recommends that employers allow employees to work from home, to support national public health objectives, as in the case of COVID-19. The Manual includes:

- An explanation of what constitutes an e-worker, with examples.
- The conditions that apply to employer payments of home expenses of e-workers.
- Clarification that current Government recommendations for employees to work from home as a result of COVID-19 meet the conditions for relief.
- Guidance for employees claiming relief for allowable e-working expenses, who are not in receipt of e-working payments from their employers.

#### **6. LPT deduction date changed to 21 May**

The LPT deduction date for property owners who opted to pay their 2020 LPT by Annual Debit Instruction or Single Debit Authority has been changed from 21 March to 21 May. The payment date will change automatically on Revenue's systems.

#### **7. Stamp duty on credit cards deferred to 1 July**

Stamp duty on credit cards which is normally collected on 1 April each year, will not be collected until 1 July 2020.

#### **8. Minister for Finance announces supports for bank borrowers**

This week, the Minister for Finance & Public Expenditure and Reform, Paschal Donohoe T.D., announced a number of measures which were

agreed following engagement with the Central Bank of Ireland and the Banking & Payments Federation Ireland (BPFI). The measures are aimed at helping both individuals and businesses and include:

- Flexible arrangements for borrowers, including a payment break for mortgages and other loans. Customers affected by COVID-19 must contact their bank to discuss the flexibility available to them, including the possibility of a payment break of up to 3 months.
- Support for buy-to-let bank customers with tenants affected by COVID 19. Customers with rental property in which the tenants are adversely impacted by COVID-19 will also be provided with flexibility, including an opportunity to seek a payment break of up to 3 months, which will allow them to exercise due levels of forbearance to their tenants.
- Extensive supports for SME customers to ensure a wide range of credit, cash-flow and supply chain supports are offered to businesses who are trying to manage the pressures arising from COVID-19.
- Reduction by the Central Bank of the Countercyclical Capital Buffer from 1% to 0%. This will free up bank capital that can be used to provide credit and to restructure and extend the loans of bank customers, both individuals and SMEs.

#### **9. Update to annual return filing date for companies**

The Registrar of Companies has decided that all annual returns due to be filed by any company now and up to 30 June 2020 will be deemed to have been filed on time, if all elements of the annual return are completed and filed by that date. Companies may also complete the filing as normal, using ROS signatures instead of a signature page. The Registrar of Companies is asking those companies who are in a position to do so, to continue to file as normal during this period. The situation will be kept under review and the date of 30 June may be extended depending on the situation as it develops.

**For more information or further guidance please contact us on 01 836 5522 or email [ciara@bkrm.ie](mailto:ciara@bkrm.ie).**