

## Financial Guideline P13 - 2019-2020

### Update to COVID-19 Payments

#### 1. Introduction

The last few days have seen the introduction of the Temporary COVID-19 Wage Subsidy Scheme for employers including boards of management, and changes to the COVID-19 Pandemic Unemployment Payment for individuals who have been laid off due to Covid-19. This guideline outlines these developments and addresses payment of Department of Education and Skills Grant funded staff.

#### 2. Payments to Department of Education and Skills Grant funded staff:

As per communication from the Department of Education and Skills received today, the Department has confirmed that grants for ancillary staff will be paid to schools as normal. Grant funded staff should be paid as normal for the period up to 19th April 2020. **Therefore, there should be no change to payments to secretaries, caretakers, cleaners, bus escorts or any other employee whose pay is grant aided.** A further update will be communicated prior to April 19th, 2020.

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

Where a board of management has employees that it no longer has a revenue stream to support, such as canteen staff or night caretakers, and the board is not in a financial position to continue paying these staff, the board may decide to lay off these staff. In the case of layoff, employees may apply for the COVID-19 Pandemic Unemployment Payment.

The previous scheme which paid an amount of €203 was to be administered by the employer. This is no longer the case. The employee should apply to the Department of Social and Family Affairs online for the unemployment payment.

The COVID-19 Pandemic Unemployment Payment is a payment of €350 per week. It is available to all employees and the self-employed who have lost their job due to the COVID-19 (Coronavirus) pandemic.

The COVID-19 Pandemic Unemployment Payment will be in place for the duration of the crisis.

An employee qualifies for this payment where they:

- are aged between 18 and 66 years old
  - live in the Republic of Ireland
  - have lost their job due to the COVID-19 (Coronavirus) pandemic
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#### Rate of payment

The COVID-19 Pandemic Unemployment Payment is paid at a flat rate of €350 per week for the duration of the pandemic emergency. It was originally set at a rate of €203 but it was increased by government on March 24, 2020.

If the employee was working and was also in receipt of any social welfare payment such as a Carers Payment, Working Family Payment (WFP) or One-Parent Family Payment, they can still claim this payment in addition to retaining existing welfare payments.

If an employee has one adult and one or more dependent children they should claim a Jobseeker's Payment instead of the COVID-19 Pandemic Payment.

#### **4. Temporary COVID-19 Wage Subsidy Scheme:**

##### **General Information**

Revenue will operate a Temporary Wage Subsidy Scheme. The scheme, enables employees, whose employers are affected by the pandemic, to receive significant supports directly from their employer. The scheme will run **for 12 weeks from 26 March 2020**.

The operation of 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.

Employers are encouraged to facilitate employees by operating the scheme, by retaining employees on their books and by **making best efforts to maintain a significant, or 100% income**, for the period of the scheme.

## 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 take home pay of the employee. The balance will be refundable to Revenue in the future.
- The subsidy scheme applies 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 weekly average take home 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.
- Employers PRSI will not apply to the subsidy and will be reduced from 10.5% 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 whose business activities are being adversely impacted by the COVID-19 pandemic.

The scheme is available for 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 the 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**
- **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.

**The names of all employers operating this scheme will be published on Revenue's website in due course, after the scheme has expired.**

### **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
- Click 'Add New Enquiry' box
- From the dropdown menu, 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**

The employer runs the payroll as normal, entering the following details for each relevant employee under the Scheme:

- PRSI Class set to **J9**.
- A non-taxable amount equal to 70% of the employee's net take home pay or €410 whichever is the lesser, 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 payment to the employee, they should include a pay amount of €0.01 in Gross Pay.
- If an employer is making additional wage payments to affected employees, 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 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.**

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.**

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.

## **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.

**If you require any further information, please email [primary@fssu.ie](mailto:primary@fssu.ie) or phone (01) 910 4020**

**Financial Support Services Unit**

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