

# GUIDE TO THE TEMPORARY COVID-19 WAGE SUBSIDY SCHEME

- Maintaining the employer-employee relationship and the retention of staff are critical during the COVID-19 crisis.
- The purpose of the Government's Temporary COVID-19 Wage Subsidy Scheme is to maintain this relationship. This replaces the previous COVID-19 Refund Scheme.
- Fáilte Ireland is encouraging as many employers as possible to avail of the scheme so when we come through this crisis, tourism businesses will be best placed to return to normality and recover as quickly as possible.
- Retaining current employees or re-hiring temporarily laid off employees on the scheme will help employers have their teams ready to go for recovery and enable staff to earn more during the period of shutdown.
- Importantly, it also avoids a redundancy situation developing and the associated pressures and complications this brings for both employer and employee.

## HOW DOES THE SCHEME WORK?

### Employers can check their eligibility and sign up for the scheme via Revenue:

- 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.

### Businesses will continue to pay their staff through their normal payroll process.

### On April 15th, 2020 the Government announced changes to the Temporary Wage Subsidy Scheme;

- Employees earning less than €412 per week - almost €24,400 a year - have their subsidy increased from 70% to 85%. *Previously it was capped at 70%.*
- For employees with a previous average net pay of between €412 and €500 per week (equivalent to between €24,400 and €31,000 a year) the subsidy will be up to €350 per week. *Previously it was €410 per week, which meant part-time workers were leaving their jobs.*
- There are no changes for employees whose previous average net pay was between €500 and €586 per week. They will continue to receive a subsidy of up to 70% of previous net income, up to a maximum of €410 per week.
- Employees earning over €586 per week - or €38,000 a year - will now see a tiered approach for their subsidy. The maximum payable for these employees remains €350 per week.

The tiered approach considers both the amount paid by the employer, and the level of reduction in pay of the employee.

**In addition to the increase in the percentage paid by the Government for low-income workers, there has been a change to the tapering applied to the subsidy if employers wished to top-up their wage:**

- Previously, if an employer topped up payments by more than the permitted amount the subsidy would be tapered - for every €1 extra paid, €1 would be taken from the subsidy. Now, where an employer wishes to pay a greater level of top-up in order to bring them to €350 per week, tapering will not be applied.

### Employers do not have to top up the scheme if they cannot afford to do so.

**Employees will not be taxed on the subsidy amount at this time but will be liable for any applicable taxes and should take this into account. They will be taxed on any additional top up payment.** *(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.)*

**The business notifies Revenue of how much they have paid to their employee by submitting the payroll as normal.**

**The subsidy will be transferred into the employer's bank account by Revenue. This reimbursement will, in general, be made within two working days after receipt of the payroll submission.**



## DOES MY BUSINESS QUALIFY FOR THE SCHEME?

- The scheme is available to employers from all sectors whose business activities are being adversely impacted by the COVID-19 pandemic.
- 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.
- Using this scheme is not a declaration of insolvency for your business.

## DID YOU KNOW?

- Staff in receipt of the scheme are available to work for you at short notice when your business is ready to get back up and reopened.
- While businesses have staff on the Temporary COVID-19 Wage Subsidy Scheme, employees can be fully available for online training to upskill and ensure their skills remain current ahead of returning to work. This will be invaluable in keeping in touch with customers and developing a marketing and sales plan, for example.

## WHICH EMPLOYEES QUALIFY FOR THE SCHEME?

- The Temporary Wage Subsidy is available to employees on full-time, part-time and short-time work arrangements.
- The scheme is available to employees who were on the employer's payroll as of 29 February 2020 (and for whom a payroll submission has already been made to Revenue from 1 February 2020 to 15 March 2020).
- There is no age restriction for employees to be eligible for the Temporary COVID-19 Wage Subsidy Scheme.
- If an eligible employer has laid off employees as a result of COVID-19, they can take the employees back onto the payroll and they will qualify for the subsidy if they meet the criteria. They will need to have been on the payroll at the end of February 2020 (with details returned to Revenue in February's payroll submissions by 15 March 2020).

## QUESTIONS

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. You can also find more information on the [Revenue website](#).

Fáilte Ireland has also collated FAQs about the scheme, following specific questions raised by the tourism industry. All answers have been provided by Revenue to Fáilte Ireland and can be viewed on the [Fáilte Ireland Business Supports Hub](#).