

KEY CHANGES TO THE TEMPORARY WAGE SUBSIDY SCHEME

AUGUST 2020

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KEY CHANGES TO THE TEMPORARY WAGE SUBSIDY SCHEME

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TEMPORARY WAGE SUBSIDY SCHEME KEY POINTS

Available to employers who may wish to receive financial support so that they can continue paying their employees

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TEMPORARY WAGE SUBSIDY SCHEME

- Operating from 26th March until the end of August
- Processed through the payroll as a non-taxable addition
- Taxable & USCable via an end of year review by Revenue
- Reduction in employee tax credits & cut off points in 2022

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TEMPORARY WAGE SUBSIDY SCHEME

Transitional Phase:
26 March 2020 to 3 May 2020

- Revenue refunded €410 per week per employee on PRSI Class J9
- In many cases, this exceeded the employees entitled subsidy amount
- Revenue – perform a reconciliation to look for any overpayments

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TEMPORARY WAGE SUBSIDY SCHEME

Operational Phase:
4 May 2020 to 31 August 2020

- Revenue provided employers with subsidy & maximum top up values
- Employers are notified via a TWSS csv file (downloadable from ROS)
- Revenue refunded the applicable wage subsidy for eligible employees

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TEMPORARY WAGE SUBSIDY SCHEME

myAccount – employees can see if their employer is participating in the TWSS on their behalf

After the Revenue reconciliation, they will also be able to view values of subsidy payments

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TEMPORARY WAGE SUBSIDY SCHEME

Revenue decided to put all TWSS & PUP recipients onto a week one / month one basis

Updated RPNs were available from 21st June

Why? To reduce the impact on the employee

TEMPORARY WAGE SUBSIDY SCHEME

Since 1 July, Revenue are not making TWSS refunds for late submissions

Late refunds – i.e. after 14th of the month following the employees pay date

Employers will have to contact Revenue regarding later submissions

TEMPORARY WAGE SUBSIDY SCHEME

TWSS closed to new employers on 31 July

Ceasing TWSS – need to stop J9 payroll submissions to Revenue

J9 submissions with a pay date after 31 August will be rejected

Employees must be returned to the correct PRSI class

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TEMPORARY WAGE SUBSIDY SCHEME

Revenue are hoping to commence TWSS reconciliation in September

TWSS CSV reconciliation files will be uploaded to Revenue

Enables Revenue to reconcile subsidy amounts paid to the employee and amounts refunded by Revenue

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TEMPORARY WAGE SUBSIDY SCHEME

To assist with the reconciliation, employers should retain:

- Records of subsidy payments
- Records of subsidy & tax refunds
- Excess subsidy payments received

Employers can repay excess via ROS – don't use Revenue's bank account

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EMPLOYMENT WAGE SUBSIDY SCHEME

A flat-rate subsidy to qualifying employers based on the numbers of paid and eligible employees on the employer's payroll

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EMPLOYMENT WAGE SUBSIDY SCHEME

EWSS will run from 1 July 2020 until 31 March 2021

The TWSS & EWSS will run in parallel from 1 July

The EWSS will replace the TWSS from 1 September

Employees on TWSS must remain on TWSS until the end of August

EMPLOYMENT WAGE SUBSIDY SCHEME

Employers are required to reassess their eligibility for wage support

To be eligible for the EWSS, employers must demonstrate at least 30% reduction in turnover / customer orders

1 July to 31 December 2020 vs. the same period last year

EMPLOYMENT WAGE SUBSIDY SCHEME

Registered childcare providers – not required to meet the 30% reduction

New & seasonal employees and existing employees are eligible

New businesses (after 1 Nov 2019) are eligible – assessed against projected turnover / customer orders

Proprietary directors – not eligible but this may change

EMPLOYMENT WAGE SUBSIDY SCHEME

Employers will no longer need to download CSV files

Eligible employers will be required to register for the EWSS via ROS

Employer must review their eligibility on the last day of every month

If no longer eligible, employers need to de-register for EWSS with effect from the following day

EMPLOYMENT WAGE SUBSIDY SCHEME

Non-TWSS Employers – those who have not previously availed of TWSS

Non-TWSS employers will only be eligible to apply for the EWSS

EWSS support will be backdated to 1 July for these employers

Process payroll in the normal manner & Revenue will review and refund the subsidy in due course

EMPLOYMENT WAGE SUBSIDY SCHEME

TWSS Employers – those who have availed of the TWSS

Can still rehire eligible employees under TWSS until 31 August

Employees already on TWSS must remain on TWSS until 31 August

TWSS employers can claim for non-TWSS employees under EWSS from 31 July (E.g. new hires)

EMPLOYMENT WAGE SUBSIDY SCHEME

EWSS employers will receive a flat rate subsidy:

Employee Gross Weekly Wages	Subsidy
Less than €151.50	€0
From €151.50 to €202.99	€151.50
More than €203 and less than €1462	€203
More than €1462	€0

EMPLOYMENT WAGE SUBSIDY SCHEME

Gross Pay – includes notional pay and is before any deductions

With EWSS, there will be an indicator on the payroll submission

This will indicate that an employee is eligible for EWSS

Revenue will calculate the subsidy payable based on the gross pay, the pay frequency & the insurable weeks

EMPLOYMENT WAGE SUBSIDY SCHEME

EWSS subsidies are paid to the employer – it will not show on a payslip / myAccount

Paid to the employer monthly after the return due date (14th)

Employers will be required to pay employees in the normal manner

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EMPLOYMENT WAGE SUBSIDY SCHEME

The normal requirement to operate PAYE on all payments will be re-established under EWSS

A 0.5% rate of employer PRSE will continue to apply for employments that are eligible for the subsidy

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EMPLOYMENT WAGE SUBSIDY SCHEME

PRSI will be calculated as normal via the payroll (PRSI Class A1)

Revenue will calculate the difference and any PRSI credit will show on the Statement of Account

List of employers availing of EWSS will be published in January & April

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COVID-19 PANDEMIC UNEMPLOYMENT PAYMENT

Available to employees and the self-employed who have lost their job due to the COVID-19 pandemic

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PANDEMIC UNEMPLOYMENT PAYMENT

This scheme will be in place from 13th March 2020 to 30th March 2021

The PUP is currently a two-tier payment

Flat rate €350 per week for those who earned €200 and over

Flat rate €203 per week for those who earned under €200

PANDEMIC UNEMPLOYMENT PAYMENT

Payment rates will change on:

- 17 September 2020
- 1 February 2021
- 1 April 2021 – scheme end

New applications will not be accepted after 17 September

PANDEMIC UNEMPLOYMENT PAYMENT

If an employee is returning to work, they must stop their payment on their first day back at work

Cannot claim TWSS & PUP for the same period of time

Pandemic Unemployment is only liable to income tax – not USC

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MANAGING ANNUAL LEAVE DURING COVID-19

Unlike the UK, Ireland has not implemented or proposed any legislation in relation to carry over of annual leave due to COVID-19

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COVID-19 & MANAGING ANNUAL LEAVE

Employees on layoff – continue to accrue public holidays, do not accrue annual leave

Employees working short time – continue to accrue leave for the hours they work

Annual leave accrued up until the point of layoff remains intact – should not pay employees in lieu

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ADDITIONAL RESOURCES

Temporary COVID-19 Wage Subsidy Scheme – Revenue Guidance

<https://www.revenue.ie/en/employing-people/documents/pmod-topics/guidance-on-operation-of-twss.pdf>

Employment Wage Subsidy Scheme

<https://www.revenue.ie/en/corporate/communications/stimulus/employment-wage-subsidy-scheme.aspx>

Pandemic Unemployment Payment – Payment Rates Until April 2021

<https://www.gov.ie/en/publication/0b0fc-covid-19-pandemic-unemployment-payment-rates-from-17-september-2020/>

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QUESTIONS & ANSWERS



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