



# Overview of COVID-19 Income Supports

22 April 2020

The Irish Government have introduced a number of measures to assist both employers and employees with financial difficulties that they may be facing as a result of a downturn in business due to COVID-19.

In this document we outline a summary of the various measures which are currently available. Details may change as the support packages are further developed and the current situation evolves.

1. **Temporary COVID-19 Wage Subsidy Scheme for employers**
2. **COVID-19 Pandemic Unemployment Payment for employees and self-employed**
3. **Short Term Work Support for employees**
4. **Illness benefit for Covid-19 absences (Enhanced Illness Benefit)**
5. **Supplementary Welfare Allowance**

## Employers

The government has introduced a Wage Subsidy Scheme to assist employers who are currently struggling to pay the wages of their employees but who wish to keep their employees on the payroll rather than lay them off.

### Temporary COVID-19 Wage Subsidy Scheme

<p><b>Background</b></p>	<p>On 24 March 2020, the government replaced the Employer COVID-19 Refund Scheme (previously announced on 15 March 2020) with the Temporary COVID-19 Wage Subsidy Scheme.</p> <p>This scheme, operated by Revenue, enables employees whose employers are affected by the COVID-19 crisis to receive supports directly from their employer.</p> <p>On Wednesday 15 April, the Minister for Finance announced further updates to this Temporary Wage Subsidy Scheme which are detailed below.</p> <p>Phase 1 of the scheme, known as the transitional phase, saw employers receive a reimbursement of a maximum of €410 in respect of all employees for whom the scheme is operated for, regardless of whether the employer makes an additional top-up payment to the employee or not.</p> <p>Phase 2, which is expected to be in place for payrolls run after 4th May 2020, will ensure that the subsidy paid to the employers is based on each employee's Average Revenue Net Weekly Pay, subject to the maximum weekly tax-free amounts. Revenue will issue further guidance on Phase 2 shortly.</p>
<p><b>Rate of reimbursement</b></p>	<p><b>Payrolls run before 4 May 2020</b></p> <p>The rate of reimbursement is based on 70% of an employee's Average Revenue Net Weekly Pay (ARNWP)*, subject to a cap depending on the level of their salary:</p> <ul style="list-style-type: none"> <li>• The reimbursement is capped at €410 for employees who earn less than or equal to €586 per week net.</li> <li>• The reimbursement is capped at €350 for employees who earn over €586 per week net, but less than or equal to €960 per week net.</li> <li>• Originally the scheme did not apply to employees whose ARNWP was in excess of €960 per week. However, from 16 April 2020, the wage subsidy is available to support employees whose ARNWP was greater than €960, and their current gross pay is below €960 per week, subject to the tiered arrangements and tapering.</li> </ul>

For individuals previously earning in excess of €960 per week, where the current gross pay, as reported in the payroll submission, represents a reduction from the ARNWP by:

Where the current gross pay, as reported in the payroll submission, represents a reduction from the ARNWP by:

- less than 20%, no subsidy is payable
- between 20% and 39%, a subsidy of up to €205 is payable
- 40% or more, a subsidy of up to €350 is payable

The maximum additional payment an employer can make, to receive the full subsidy, is the difference between the employees ARNWP and their maximum weekly wage subsidy.

**Payrolls run after 4 May 2020**

***Employees previously earning up to €586 net per week:***

- An 85% subsidy (previously a 70% subsidy) will be payable for employees whose previous average new weekly pay did not exceed €412.
- A flat rate subsidy of €350 will be payable for employees whose previous ARNWP was more than €412 but no more than €500.
- A 70% subsidy will be payable for employees whose previous ARNWP was more than €500 no more than €586, subject to a maximum subsidy cap of €410.

***Employees previously earning in excess €586 net per week:***

- A subsidy of a maximum of €350 will be payable to employees whose previous ARNWP was in excess of €586 but no more than €960. The subsidy will be calculated based on the amount of additional payments made by the employer, if any.
- Where the employer pays sufficient gross salary which equals an amount up to 60% of the employee's previous net weekly earnings, a subsidy of €350 will be payable.
- Where the employer pays sufficient gross salary which equals an amount more than 60% but less than no more than 80% of the employee's previous net weekly earnings, a subsidy of €205 will be payable.
- No subsidy will be payable where the employer pays sufficient gross salary which equals an amount more than 80% of the employee's previous net weekly earnings.

Tapering of the subsidy will apply in all instances where the gross pay paid by the employer plus the subsidy amount exceeds the employee's previous net weekly pay to ensure that no employee would be better off under the Scheme. The only exception where tapering will not apply is where an employer pays an additional payment which when added to the subsidy does not exceed €350.

***Employees previously earning in excess €960 net per week who have subsequently received a pay cut:***

Where the current gross pay, as reported in the payroll submission, represents a reduction from the ARNWP by:

- A less than 20%, no subsidy is payable
- between 20% and 39%, a subsidy of up to €205 is payable
- 40% or more, a subsidy of up to €350 is payable

The maximum additional payment an employer can make, to receive the full subsidy, is the difference between the employees ARNWP and their maximum weekly wage subsidy.

*\* To calculate the ARNWP to be used for the subsidy amount, using the values in the payroll submission for each pay date in January and February 2020:*

- Take the employee's "gross pay" and from it subtract the "income tax paid", the "USC paid" and the "employee PRSI paid".
- Total this figure for each pay date in Jan and Feb 2020 and divide this by the number of insurable weeks (capped at 9) for the period.

**Conditions for employer**

- An employer will be required to make a self-declaration to Revenue that they meet the following conditions:
- They are experiencing significant economic disruption due to COVID-19

	<ul style="list-style-type: none"> <li>• They are able to demonstrate that they have suffered a decline of at least 25% in their turnover</li> <li>• They have an inability to pay normal wages and normal outgoings fully</li> <li>• They retain the employees on the payroll</li> </ul> <p>Revenue have provided further information on how these conditions may be met, which can be found at <a href="#">this link</a>.</p> <p>An employer that has been hit by a significant decline in business but which possesses strong cash reserves, that are not required to fund debt, will still qualify for the scheme. However, the government would expect the employer to continue to pay a significant proportion of the employees' wages.</p> <p>Revenue have also highlighted that there will be severe penalties for any abuse of the scheme.</p>
<b>Conditions for employee</b>	<p>The scheme only applies to employees who were on the payroll as at 29 February 2020, and for whom a payroll submission was already made in the period 1 February 2020 to 15 March 2020.\</p> <p>The scheme does not apply to self-employed workers or to individuals already making a claim for another income support from the Department of Employment Affairs and Social Protection (DEASP), such as the Pandemic Unemployment Payment.</p>
<b>Duration of the scheme</b>	<p>The scheme is to run for a 12-week period from 26 March 2020.</p>
<b>Registering for the scheme</b>	<p>If an employer is already registered with Revenue for the previous Employer COVID-19 Refund Scheme, they do not need to take any further action. Instead, Revenue will look to confirm with the employer that they meet the conditions of the subsidy scheme.</p> <p>If not already registered for the Employer Refund Scheme, the employer can register for the Wage Subsidy Scheme by logging onto ROS myEnquiries and selecting the category "COVID-19: Temporary Wage Subsidy". They must read the self-declaration and press the submit button.</p>
<b>Payroll operation</b>	<p>Detailed instructions on what details to enter when processing and making payroll submissions are provided on Revenue's website at the following <a href="#">link</a>.</p>
<b>Method of reimbursement</b>	<p>Revenue will be notified of the amount of the payment which is eligible for the Wage Subsidy Scheme once the payroll submission has been made. The reimbursement will be made into the employer's bank account within two working days of the payroll submission. ROS should be checked by employers to confirm that bank account details are correct.</p>
<b>Taxability of subsidy payments</b>	<p>The payments are liable to income tax; however, the subsidy is not taxable in real time through the PAYE system during the period of the subsidy scheme.</p> <p>Instead the employee will be taxable on the subsidy amount paid to them by their employer by review at the end of the year.</p> <p>Employee PRSI will not apply to the subsidy amount or to any top-up payment that may be made by you. Employer's PRSI will also not apply to the subsidy amount and will be reduced from 11.05% to 0.5% on the top-up payment.</p>
<b>Top-up payments</b>	<p>During the transition phase of the subsidy scheme an employer can choose to make an additional payment (top-up payment) to the employee to fully or partially make up the difference between the amount provided by the subsidy scheme and the employee's normal ARNWP. Revenue will issue further guidance on in relation to calculation of the top up payment during Phase 2 shortly.</p> <p>Such additional payments are liable to income tax and USC. If the employer makes an additional payment greater than the difference allowed by the scheme (i.e. the employee receives more than the ARNWP) then the subsidy value refundable to the employer will be reduced by this excess amount when the refund reconciliation is performed by Revenue in due course.</p>

<b>Further information</b>	<p><a href="https://revenue.ie/en/corporate/communications/covid19/temporary-covid-19-wage-subsidy-scheme.aspx">https://revenue.ie/en/corporate/communications/covid19/temporary-covid-19-wage-subsidy-scheme.aspx</a></p> <p><a href="https://revenue.ie/en/employing-people/documents/pmod-topics/guidance-on-operation-of-temporary-covid-wage-subsidy-scheme.pdf">https://revenue.ie/en/employing-people/documents/pmod-topics/guidance-on-operation-of-temporary-covid-wage-subsidy-scheme.pdf</a></p> <p><a href="https://www.gov.ie/en/service/578596-covid-19-wage-subsidy/">https://www.gov.ie/en/service/578596-covid-19-wage-subsidy/</a></p>
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## Employees (including self-employed) who have lost their job or ceased to trade

The COVID-19 Pandemic Unemployment Payment is a new social welfare payment of €350 a week for employees and self-employed people who have lost employment due to the COVID-19 pandemic.

### COVID-19 Pandemic Unemployment Payment

<b>Background</b>	If an individual has lost their job due to the financial strain on businesses as a result of COVID-19, they may apply for the new COVID-19 Pandemic Unemployment Payment.
<b>Conditions</b>	<p>A person can apply for this payment if:</p> <ul style="list-style-type: none"> <li>• they are aged between 18 and 66 years</li> <li>• they live in the Republic of Ireland</li> <li>• they are an employee and have: <ul style="list-style-type: none"> <li>• have lost their job</li> <li>• have been temporarily laid off</li> <li>• have been asked to stay at home</li> <li>• are not getting money from an employer</li> <li>• are self-employed and have ceased trading due to the pandemic</li> </ul> </li> </ul> <p>The payment also applies to:</p> <ul style="list-style-type: none"> <li>• non-EU/EAA workers who have lost employment due to the COVID-19 pandemic</li> <li>• students (and non-EU/EAA students) who have lost employment due to the COVID-19 pandemic</li> <li>• part-time workers</li> </ul>
<b>Duration</b>	The COVID-19 Pandemic Unemployment Payment will be in place for the duration of the crisis.
<b>Rate of payment</b>	The rate of payment is €350 per week. The payment was originally €203 per week prior to 24 March 2020. If an individual applied before 24 March 2020 no further action is required and their next payment will be at the increased rate.
<b>Method of payment</b>	Payment is made by electronic transfer only (into the individual's bank account) and only into accounts held in Irish financial institutions. It will be paid in to their bank account every Tuesday once their application is processed.
<b>Application</b>	An individual can apply for the payment online via <a href="http://www.mywelfare.ie">www.mywelfare.ie</a> . Alternatively, an application form may be downloaded from the following <a href="#">link</a> and submitted to the DEASP by post.

<b>Other social welfare payments</b>	<p>If a person was also in receipt of social welfare payment whilst working such as Carer's Payment, Working Family Payment, or One-Parent Family payment, they can also apply for the Pandemic Unemployment Payment in addition to retaining their current social welfare payment, provided they have lost their job due to COVID-19.</p> <p>If an individual is getting the COVID-19 Pandemic Unemployment Payment and has a spouse or partner and children (known as adult or child dependants), they should claim a jobseeker's payment instead as they will get a higher rate.</p>
<b>Further information</b>	<p><a href="https://www.gov.ie/en/service/be74d3-covid-19-pandemic-unemployment-payment/">https://www.gov.ie/en/service/be74d3-covid-19-pandemic-unemployment-payment/</a>  <a href="https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/unemployed_people/covid19_pandemic_unemployment_payment.html">https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/unemployed_people/covid19_pandemic_unemployment_payment.html</a></p>

## Employees temporarily placed on shorter working weeks

If an employee's working hours are reduced to three days or less per week, they can apply for Short Time Work Support which is a form of Jobseeker's Benefit.

<b>Short Time Work Support</b>	
<b>Background</b>	<p>Short Time Work Support is a form of Jobseeker's Benefit and is an income support payment for individuals who have been temporarily placed on a shorter working week. This payment will apply to individuals who have not lost their job, but whose working hours have been reduced due to COVID-19.</p>
<b>Conditions</b>	<p>To qualify for Short Time Work Support an individual must:</p> <ul style="list-style-type: none"> <li>• be temporarily working a standard reduced weekly work pattern</li> <li>• be working three days or less per week having previously worked full-time</li> <li>• be under 66 years of age</li> <li>• be capable of work and be available for full-time work</li> <li>• have enough paid or credited PRSI contributions</li> </ul>
<b>Duration</b>	<p>Short Time Working Support is paid for a maximum of 234 days.</p>
<b>Rate of payment</b>	<p>The rate of payment will depend on the individual's average weekly earnings in the governing contribution year and the change in their work pattern. For example, if they are placed on a three-day work pattern having previously worked five days, they may be entitled up to €81.20 for the two days they are no longer working. This represents two-fifths of the maximum weekly rate of Jobseeker's Benefit of €203.</p> <p>They may also get an increased rate for a qualified adult or qualified children.</p>
<b>Application</b>	<p>An individual can apply for the payment online via <a href="http://www.mywelfare.ie">www.mywelfare.ie</a>.</p> <p>The following <a href="#">form</a> must then be completed by your employer and sent to the DEASP.</p>
<b>Further information</b>	<p><a href="https://www.gov.ie/en/service/c20e1b-short-time-work-support/">https://www.gov.ie/en/service/c20e1b-short-time-work-support/</a>  <a href="https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/social_welfare_payments_and_work/jobseekers_benefit_and_work.html">https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/social_welfare_payments_and_work/jobseekers_benefit_and_work.html</a></p>

## Employees who have been diagnosed with COVID-19 or advised by doctor/HSE to self-isolate

Employees who are told to self-isolate by a doctor or the HSE, or have been diagnosed with COVID-19 by a doctor can apply for the Enhanced Illness Benefit.

Illness benefit for COVID-19 absences (Enhanced Illness Benefit)	
<b>Background</b>	The Enhanced Illness Benefit is an increased amount of illness benefit applicable to individuals affected by COVID-19. Employees who are told to self-isolate by a doctor or the HSE, or have been diagnosed with COVID-19 by a doctor can apply for the Enhanced Illness Benefit.
<b>Conditions</b>	To qualify for the Enhanced Illness Benefit a person must be: <ul style="list-style-type: none"> <li>• self-isolating on the instruction of a doctor or the HSE or diagnosed with COVID-19, and</li> <li>• be absent from work and confined to your home or a medical facility</li> </ul>
<b>Rate of payment</b>	The rate of payment is €350 per week which is an increase from €203 prior to 24 March 2020.
<b>Duration</b>	The payment will be made for a maximum of two weeks where a person is self-isolating. The payment will be made for a maximum of 10 weeks where a person has been diagnosed with COVID-19. If the person has been certified for less than 10 weeks, they will be paid for the duration of their certificate.
<b>Application</b>	Once instructed by a doctor or the HSE to self-isolate or having been diagnosed with COVID-19, the doctor will send a medical certificate to the DEASP. The individual must then complete an Illness Benefit form. This form is not available to download and can be received by calling 1890 800 024 or 01 248 1398, collected from a doctor's surgery or local Intreo office, or received by post following a request to <a href="mailto:forms@welfare.ie">forms@welfare.ie</a> .
<b>Further information</b>	<a href="https://www.gov.ie/en/service/df55ae-how-to-apply-for-illness-benefit-for-covid-19-absences/">https://www.gov.ie/en/service/df55ae-how-to-apply-for-illness-benefit-for-covid-19-absences/</a> <a href="https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/disability_and_illness/disability_benefit.html#b915e">https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/disability_and_illness/disability_benefit.html#b915e</a>

## Employees in receipt of the Enhanced Illness Benefit who still face financial distress

Workers in receipt of the Enhanced Illness Benefit payment who still face financial distress because their employer fails to pay sick pay beyond the level paid by the State can apply an additional emergency income support known as the Supplementary Welfare Allowance.

Supplementary Welfare Allowance	
<b>Background</b>	The basic Supplementary Welfare Allowance (SWA) is a weekly allowance paid to people who do not have enough income to meet their needs, and is based on a means test.
<b>Conditions</b>	An individual will normally qualify if they satisfy the following conditions: <ul style="list-style-type: none"> <li>• are living in the state</li> <li>• satisfy the <a href="#">means test</a></li> </ul>

	<ul style="list-style-type: none"> <li>• have applied for another benefit or allowance they are entitled to</li> <li>• have registered for work with their local Intreo centre</li> <li>• satisfy the habitual residence condition</li> </ul> <p>EU/EEA and Swiss migrant workers who have been working in Ireland can access basic SWA and supplements without having habitual residence assessed, provided they have the right to reside in Ireland. However, people from the EU/EEA or Switzerland who move to Ireland in search of employment are subject to the habitual residence test in the normal way while looking for work.</p>
<b>Rates</b>	<p>For individuals aged 18-24, the maximum personal rate is €112.70 and they may be entitled to an increase for a qualified adult of a further €112.70.</p> <p>For individuals aged 25 and over, the maximum personal rate is €201 and they may be entitled to an increase for a qualified adult of a further €134.70 and a further increase for a qualified child of €36 if the child is under 12 years and €40 if the child is over 12 years.</p>
<b>Application</b>	<p>Applicants are advised to contact the Community Welfare Services at their local Intreo centre.</p> <p>An application can be download from the <a href="http://mygov.ie">mygov.ie</a> website.</p>
<b>Further information</b>	<p><a href="https://www.gov.ie/en/service/36e514-supplementary-welfare-allowance/">https://www.gov.ie/en/service/36e514-supplementary-welfare-allowance/</a></p> <p><a href="https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/supplementary_welfare_schemes/supplementary_welfare_allow.html">https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/supplementary_welfare_schemes/supplementary_welfare_allow.html</a></p>

The above is purely for information purposes.

**Failure to notify an employee of the lay-off or short time working may result in employee claims. When selecting employees for lay-off or short time working, the criteria should be reasonable, non-discriminatory and applied in a fair and consistent manner.**

**Should you decide to alter your employee's working arrangements we recommend that you seek legal advice to ensure compliance with employment law.**



### COVID-19: Managing the impact

Keep informed about the range of COVID-19 supports and solutions available to help your business navigate the challenges by visiting our dedicated COVID-19 Resource Hub.



[Visit COVID-19 Resource Hub](#)

#### About us

Established in 1941, Crowe is a leading accountancy and business advisory firm in Ireland. Throughout our history, we have developed an unrivalled understanding of the Irish business environment and built a national reputation in auditing, tax and business consultancy.

We work with a variety of clients across commercial and public sectors. Our services include Audit & Assurance, Tax, Corporate Insolvency & Recovery, Corporate Finance, Consultancy, and Outsourcing.

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