



# Employment and Income Support Measures for Covid – 19

9 April 2020

Think Beyond

[www.pwc.ie/covid19](http://www.pwc.ie/covid19)  
April 9, 2020



**Mairéad Connolly**  
Limerick Tax Partner



April 9, 2020



# Agenda

- Introduction to Employment & Income Support Measures 1

---

- Businesses Impacted by Covid 19 2

---

- Temporary Wage Subsidy Scheme 3

---

- Other Tax Concessions 4

---

- Panel Discussion - Common Practical Issues 5

---




April 9, 2020

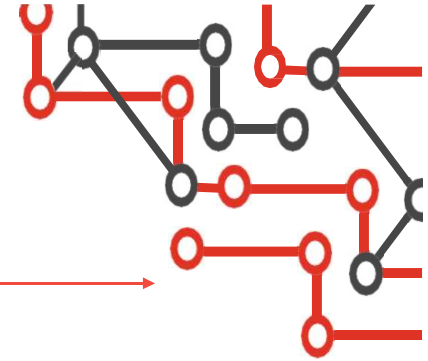


# Introduction

April 9, 2020



# Government Supports Timeline



April 9, 2020

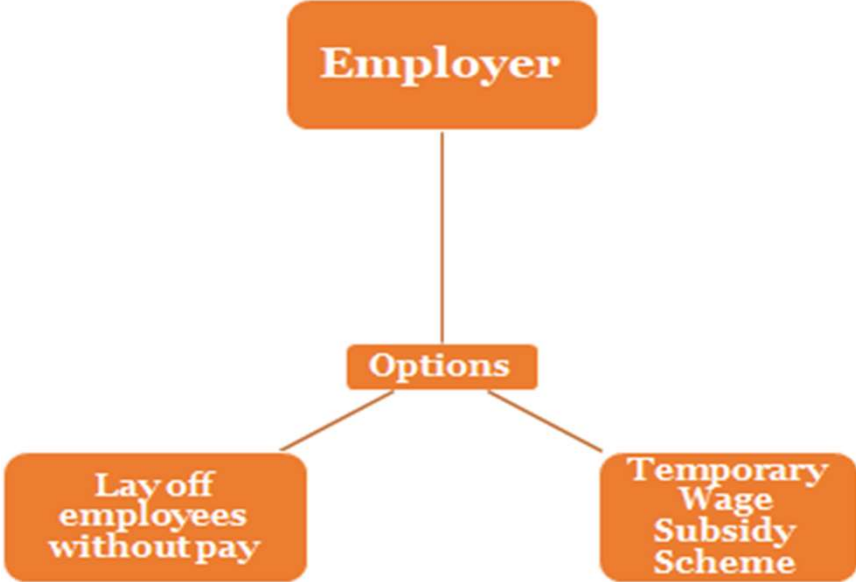
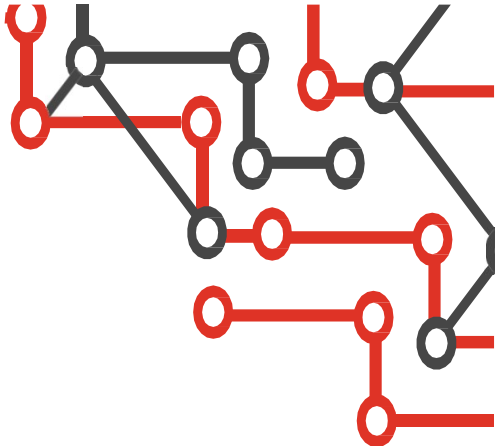
**Emer Hodges**  
Limerick Tax Director



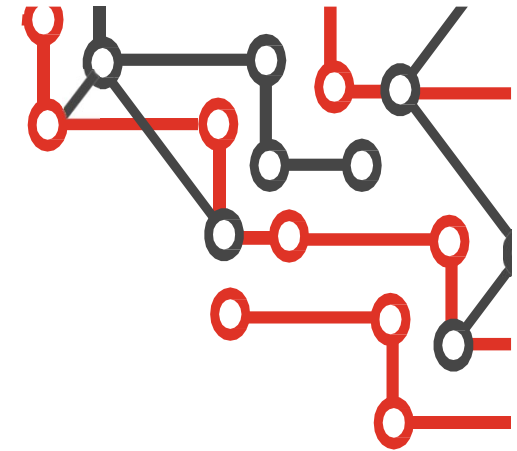
April 9, 2020



# Businesses Impacted by Covid 19



# Employer Eligibility for the Temporary Wage Subsidy Scheme



❖ Self Assessment via MyEnquiries on ROS

## 1. 25% drop in turnover based on expected turnover in Q2 2020

- Quantifying a decline orders in March v February
- Turnover in Q1 v projected turnover in Q2
- Any other reasonable basis

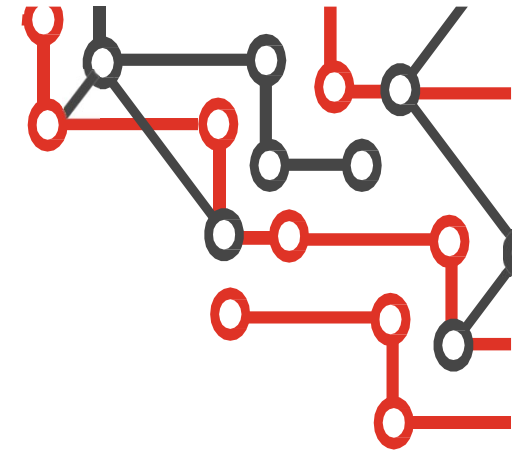
## 2. Inability to meet normal wages or outgoings

- Qualification of companies with strong cash reserves
- Not a declaration of insolvency



# Temporary Wage Subsidy Scheme

## *Supporting Documentation*



### **Revenue's list of possible supporting documentation:**

- Copies of notifications to staff/Trade Unions/ representative bodies regarding salary/wage cuts due to Covid-19.
- Copies of documents that show any cash reserves required to fund debt that is equal to or greater than that reserve.
- Start-up companies may be requested to provide evidence of a decline in investment by at least 25% arising from Covid-19.
- Documents submitted to banks as part of negotiations on forbearance.
- Reliance on the Government Credit Guarantee Scheme or overdraft facilities or other borrowing for capital purposes.

# Temporary Wage Subsidy Scheme



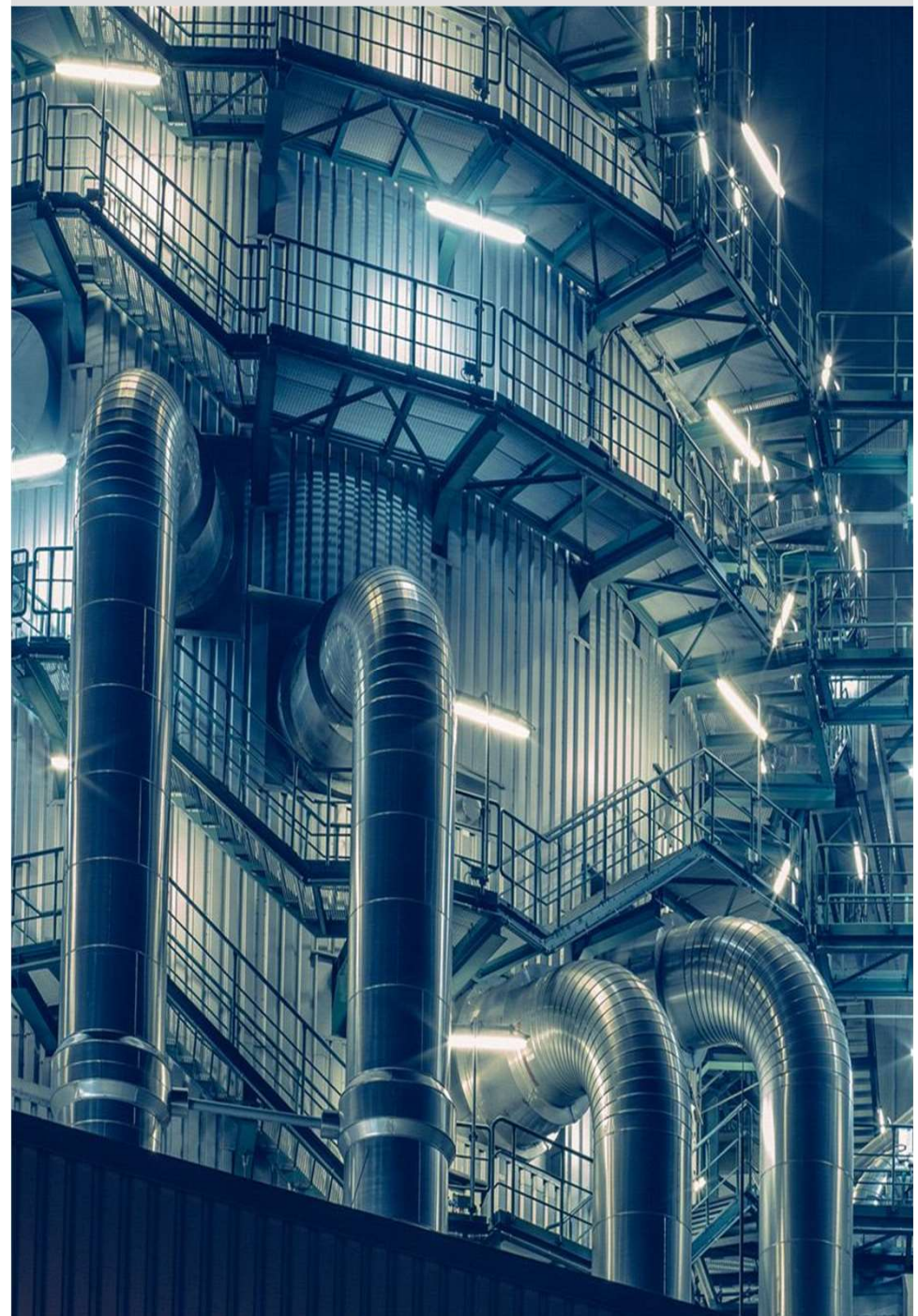
| Net Weekly Pay | On Payroll 1 Feb - 15 March? | Does the Employee Qualify for the Scheme? | How much are they entitled to under the Scheme?                   |
|----------------|------------------------------|---|---|
| Over €960      | Yes                          | No  | €0  |
| €586 - €960    | Yes                          | Yes                                       | Lesser of:<br>€350 or 70% of the employees average net weekly pay |
| Below €586     | Yes                          | Yes                                       | Lesser of:<br>€410 or 70% of the employees average net weekly pay |

- Only applies to employees on payroll at 29 Feb 2020 for whom a payroll submission was made in the period 1 Feb - 15 March 2020.
- Average Net Weekly pay is calculated based on 9 insurable weeks net pay in Jan/Feb 2020 payroll submissions.
- Phase 1 of the scheme: €410 flat amount being provided by Revenue up to 20 April 2020 with any excess refundable.

# Temporary Wage Subsidy Scheme

## *Points to Note*

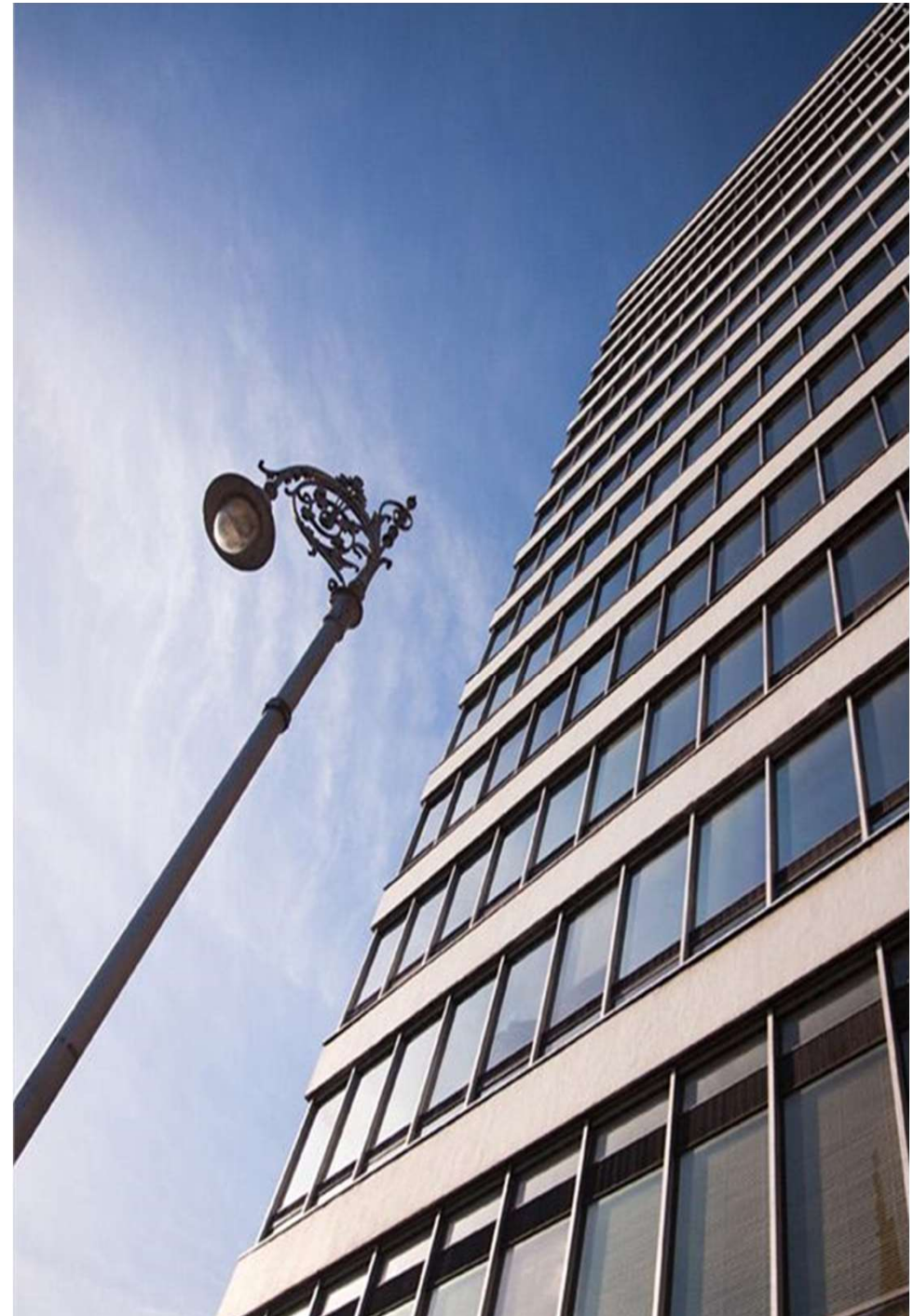
- Payroll submissions should be entered under PRSI class J9
- Employer PRSI reduced from 11.05% to 0.5% on top up payments
- Top up payment: is capped and excess amounts will reduce the subsidy
- Top up is deductible for CT/IT purposes
- Phase 2 will commence from 21 April 2020: employers will be notified by Revenue of subsidy and top-up
- Employee is liable to tax on review at the end of the year
- Publication



# Other Tax Concessions

## Company car:

- No BIK if employer prohibits use / takes back car
- Employer allows private use - mileage calculated based on Jan 2020
- Waiver of the requirement that only one €500 voucher can issue - exceptional efforts during the COVID-19 crisis
- E-working - €3.20 per day
- Employer provided accommodation
- Employer provided Equipment
- Taxi fares to work
- Deferring BIK obligations until 2021
- Extending filing obligations

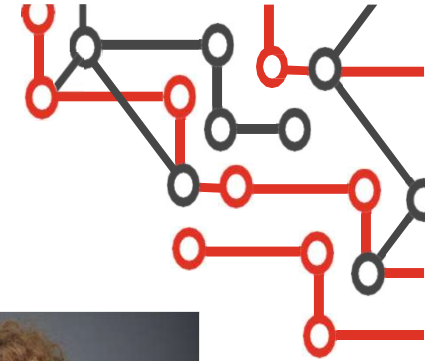


# Panel Discussion - Common Practical Issues

April 9, 2020



# Contact Details



**Maireád Connolly**  
Tax Partner – Midwest  
Phone: 086 817 7450  
Email: [mairead.connolly@pwc.com](mailto:mairead.connolly@pwc.com)



**Emer Hodges**  
Tax Director – Midwest  
Phone: 087 682 2942  
Email: [emer.hodges@pwc.com](mailto:emer.hodges@pwc.com)



April 9, 2020

# Thank you

[www.pwc.ie/covid19](http://www.pwc.ie/covid19)

© 2020 PwC. All rights reserved. Not for further distribution without the permission of PwC. "PwC" refers to the network of member firms of PricewaterhouseCoopers International Limited (PwCIL), or, as the context requires, individual member firms of the PwC network. Each member firm is a separate legal entity and does not act as agent of PwCIL or any other member firm. PwCIL does not provide any services to clients. PwCIL is not responsible or liable for the acts or omissions of any of its member firms nor can it control the exercise of their professional judgment or bind them in any way. No member firm is responsible or liable for the acts or omissions of any other member firm nor can it control the exercise of another member firm's professional judgment or bind another member firm or PwCIL in any way.