



KEOGH RYAN TIERNEY
CHARTERED ACCOUNTANTS

Ezine Covid-19 update 30th March 2020



Temporary COVID-19 Wage Subsidy Scheme - Update

Revenue have issued updated commentary and a detailed Frequently Asked Questions document – see below. A summary of the main issues arising from the update are:

- For the Employer to be eligible for the scheme turnover must be down 25% in Q2 2020
- Employers should retain their evidence/basis for entering the scheme
- An employer that has been hit by a significant decline in business but has strong cash reserves, that are not required to fund debt, will still qualify for the Scheme but the Government would expect the employer to continue to pay a significant proportion of the employees' wages.
- The declaration by the employer is not a declaration of insolvency.
- Eligible employers must retain its employees on its payroll, so employees should probably be suspended on the payroll system rather than removed.

- 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. Employees may have a tax liability arising on review at the end of the year.

The followings are the details of the scheme when initially announced:

- From 26 March 2020 the subsidy scheme will refund employers up to a maximum of €410 per qualifying employee.
- To qualify for the scheme employers must :
 1. be experiencing significant economic disruption due to COVID-19
 2. be able to demonstrate, to the satisfaction of Revenue, a minimum of a 25% decline turnover
 3. be unable to pay normal wages and outgoings fully
 4. retain their employees on the payroll.
- Employers not already registered for the Employer COVID-19 Refund Scheme must register online.
- Employers **are** allowed to make a top up payment.
- Reimbursement will take 2 days from date of payroll submission.
- The scheme runs for 12 weeks.
- 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 (further details to be published by Revenue).
- Income Tax and USC will not be applied to the subsidy payment through the payroll.
- The names of all employers operating this scheme will be published on Revenue's website in due course, after the scheme has expired.
- Employers should pay no more than the normal take home pay of the employee, so care should be exercised when running payroll to ensure that this condition is satisfied.

If you have any queries please contact one of the Keogh Ryan Tierney Team

Links are attached below with details of further updated information available on the Revenue website.

The first is a link to Version 2 of Revenue's Frequently asked questions in relation to the Scheme.

The second is a link to guidance on Employers Eligibility and supporting documents required:

Link to Revenue FAQs version 2:

<https://revenue.ie/en/employing-people/documents/pmod-topics/guidance-on-operation-of-temporary-covid-wage-subsidy-scheme.pdf>

Link to Guidance on Employers Eligibility and supporting documents:

<https://revenue.ie/en/corporate/communications/documents/guidance-on-employer-eligibility-and-supporting-proofs.pdf>



4 THE CRESCENT, LIMERICK
T: +353 61 318500
F: +353 61 446731
E: info@keoghryantierney.ie
www.keoghryantierney.ie

DOCK GATE HOUSE,
MERCHANTS ROAD, GALWAY
T: +353 91 567768
E: info@keoghryantierney.ie



KEOGH RYAN TIERNEY
CHARTERED ACCOUNTANTS