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# National COVID-19 Income Support Scheme.

## Guidance Notes

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### INTRODUCTION

On 24<sup>th</sup> March 2020, the Government announced new measures to provide financial support to Irish worker affected by the Covid-19 the crisis. There are:

1. New COVID 19 Wage Subsidy Scheme
2. Increase in the rate of Payment for the Covid-19 Pandemic Unemployment Payment
3. Increase in the rate of Enhanced Illness Benefit

### 1. Temporary COVID-19 Wage Subsidy Scheme

#### General Information

As part of these measures, Revenue will operate a Temporary Wage Subsidy Scheme. The scheme, enables employees, whose employers are affected by the pandemic, to receive significant supports directly from their employer. The scheme will run for 12 weeks from **26 March 2020**. Draft legislation governing the scheme will be published shortly.

The operation of the Temporary Wage Subsidy Scheme will be available to employers who keep employees on the payroll throughout the COVID-19 pandemic, meaning employers can retain links with employees for when business picks up after the crisis. Additionally, the operation of the scheme will reduce the burden on the Department of Employment Affairs and Social Protection (DEASP) which is dealing with the other Covid-19 related payments.

Employers are encouraged to facilitate employees by operating the scheme, by retaining employees on their books and by making best efforts to maintain a significant, or 100% income, for the period of the scheme.

The Department of Children and Youth Affairs will reimburse childcare providers a further 30% on top of the 70%. Effectively crèches will be reimbursed in full to ensure that employees are retained and that parents no longer have to make payments.



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### **Key Features of the scheme**

- Replaces the previous COVID-19 Refund Scheme.
- Initially, and from this Thursday (26 March 2020), the subsidy scheme will refund employers up to a maximum of €410 per each qualifying employee.
- However, employers should pay no more than the normal take home pay of the employee.
- The subsidy scheme applies to employers who top up employees' wages and those that aren't in a position to do so.
- Employers make this special support payment to their employees through their normal payroll process.
- Employers will then be reimbursed for amounts paid to employees and notified to Revenue via the payroll process.
- The reimbursement will, in general, be made within two working days after receipt of the payroll submission.
- 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\*.
- Income tax and USC will not be applied to the subsidy payment through the payroll.
- Employee PRSI will not apply to the subsidy or any top up payment by the employer.
- Employers PRSI will not apply to the subsidy will be reduced from 10.5% to 0.5% on the top up payment.

\* (details on this will be made available by Revenue in due course).

### **Who does the scheme apply to?**

The Scheme is available to employers from all sectors (excluding the public service and non-commercial semi-state sector) whose business activities are being adversely impacted by the COVID-19 pandemic.

The scheme is available for employers who retain staff on payroll; some of the staff may be temporarily not working or some may be on reduced hours and/or reduced pay. Provided the employer meets the conditions set out below and subject to the levels of pay to the employees the employer may be eligible for the scheme for some or all of the employees.

### **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
- retain their employees on the payroll.

The Scheme is confined to employees who were on the employer's payroll as at 29 February 2020, and for whom a payroll submission has already been made to Revenue in the period from 1 February 2020 to 15 March 2020.

The names of all employers operating this scheme will be published on Revenue's website in due course, after the scheme has expired.

### **Registering for the Temporary Wage Subsidy Scheme**



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Any employer, already registered with Revenue for the purposes of the Employer COVID-19 Refund Scheme, is not required to take any further action. The employer may make payroll submissions from 26 March 2020 under the subsidy scheme arrangements on the same basis as they were doing for the Employer Refund Scheme, and €410 will be refunded in respect of each eligible employee per week.

Employers, or their agents, wishing to register for the scheme can apply to Revenue by carrying out the following steps:

- 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.

### **Operating the scheme from Thursday 26 March 2020**

The employer runs the payroll as normal, entering the following details for each relevant employee under the Scheme:

- PRSI Class set to J9.
- A non-taxable amount equal to the employee’s net take home pay or €410 whichever is the lesser.
- If an employer is not making any payment to the employee, they should include a pay amount of €0.01 in Gross Pay.
- If an employer is making additional wage payments to affected employees, they should include this amount in the Gross Pay.
- It is important that employers do not include the Temporary Wage Subsidy payment in Gross Pay.
- The payroll submission must include pay frequency and period number.

Income tax, USC, LPT, if applicable, and PRSI are not deducted from the Temporary Wage Subsidy.

In many cases the payment of the Temporary Wage Subsidy and any additional income paid by the employer will result in the refund of Income Tax or USC already paid by the employee. Any Income Tax and USC refunds that arise as a result of the application of tax credits and rate bands can be repaid by the employer and Revenue will also refund this amount to the employer.

Employers must not operate this scheme for any employee who is making a claim for duplicate support (e.g. Pandemic Unemployment Payment) from the DEASP.

Based on the information provided in payroll submissions and adherence to the maximum limits, described above, Revenue will credit employers with the temporary wage subsidy paid to each employee.

Penalties will apply to any abuse of the Subsidy Scheme by self-declaring incorrectly, not providing funds to employees or non-adherence to Revenue, and any other relevant, guidelines.

### **Guidance/Information**

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.



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Employers should make sure to select '**Employer's PAYE**' and then '**Employer's PAYE General Enquiry**' when submitting the query through myEnquiries.

## **2. COVID-19 Pandemic Unemployment Payment**

If employees have already applied before the 24th of March or are already in receipt of the Pandemic Unemployment Payment they do not need to do anything. Their next payment will be paid at the increased rate.

The COVID-19 Pandemic Unemployment Payment is a payment of €350 per week. It is available to all employees and the self-employed who have lost their job due to the Covid-19 (Coronavirus) pandemic.

The Covid-19 Pandemic Unemployment Payment will be in place for the duration of the crisis.

If you have been temporarily placed on a shorter working week, you may qualify for Short Time Work Support.

### **How to qualify**

You can apply for the new COVID-19 Pandemic Unemployment Payment if you:

- are an employee or self-employed
- are aged between 18 and 66 years old
- live in the Republic of Ireland
- have lost your job due to the COVID-19 (Coronavirus) pandemic
- have ceased trading if self-employed due to the pandemic

The payment also applies to

- non EU/EEA workers who have lost employment due to the COVID-19 (Coronavirus) pandemic
- students (and non-EU/EEA students) who have lost employment due to the COVID-19 (Coronavirus) pandemic
- part-time workers

### **Rate of payment**

The COVID-19 Pandemic Unemployment Payment is paid at a flat rate of €350 per week for the duration of the pandemic emergency. It was originally set at a rate of €203 but it was increased by government on March 24.

Payment is made by electronic transfer only (into your bank account) and only into accounts held in Irish financial institutions. It will be paid in to your bank account every Tuesday once your application is processed. If you were working and were also in receipt of any social welfare payment such as a Carers Payment, Working Family Payment (WFP) or One-Parent Family Payment, you can, provided you have lost your job due to COVID-19, also claim the COVID-19 emergency payment, in addition to retaining



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your existing welfare payment. The COVID-19 Payment Unemployment Payment will replace your employment income and will be regarded by the Department as equivalent to employment income. If you have one adult and at least one child dependent you should claim a Jobseeker's Payment instead of the COVID-19 Pandemic Payment.

This is because you can claim an additional allowance for your adult dependent and child dependents, which will bring your weekly payment to in excess of the €350 weekly payment due under the emergency COVID-19 Pandemic Unemployment Payment.

### **3. Illness Benefit for COVID-19 absences**

If you have already applied before the 24th of March or are already in receipt of this payment you do not need to do anything. Your next payment will be a paid at the increased rate.

#### **What Illness Benefit for COVID-19 absences is**

When a worker is told to self-isolate by a doctor or has been diagnosed with COVID-19 (Coronavirus) by a doctor, they can apply for an enhanced Illness Benefit payment of €350 per week. To be eligible for this payment a person **must** be confined to their home or a medical facility. **Do not visit your doctor. You must contact them by phone.**

#### **How to qualify**

To receive the enhanced payment, you must be:

- self-isolating on the instruction of a doctor or diagnosed with COVID-19 (Coronavirus)
- be absent from work and confined to your home or a medical facility

#### **Rate of payment**

The personal rate for this payment is €350, as compared with the normal Illness Benefit rate of €203. It was originally set at a rate of €305 but it was increased by Government on March 24.

It will be paid for a maximum of 12 weeks where a person is self-isolating but will be paid for the duration of a person's absence from work if they have been diagnosed with COVID-19 (Coronavirus).

#### **How to Apply**

##### **Step 1**

If you are diagnosed with COVID-19 or a doctor advises that you self-isolate, the doctor will then complete a medical certificate on your behalf and send this directly to the department.

To receive a payment, you will need to provide your doctor with your:

- name
- PPS Number
- date of birth

##### **Step 2**



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You now need to complete an application form for Illness Benefit (Form IB 1).

There are three ways that you can make an application:

- you can call 1890 800 024 or 01 2481398 between 9.00am and 5.00pm Monday to Friday to get an application form by post
- organise someone to pick up a form at your doctor's surgery or at your local Intreo Centre
- you can request a form to be posted to you by sending an email:

### **Request a Form**

This email address is only for application forms. A form will be posted to you so please supply your name and address.

Email:

[forms@welfare.ie](mailto:forms@welfare.ie)

An **online application process** will be available by the end of March

**If you have been medically certified to self-isolate or are diagnosed with COVID-19 do not attend your doctor's office or Intreo Centre.**

It is important to complete part 5 of the Illness Benefit form as this contains how you would like to be paid. You don't have to fill in part 7 of the form.

Send your application form by Freepost to:

### **Social Welfare Services**

Address:

FREE POST, Social Welfare Services, P.O Box 1650, Department of Employment Affairs and Social Protection, Dublin 1

Once both the application form and the medical certificate are received payment will be processed.

You should continue to liaise with your doctor in relation to your diagnosis and the length of time you are medically certified unfit to work because of COVID-19.

To help us to process all payments as quickly as possible, we would kindly ask you not to phone the department seeking updates on your application as staff will be focusing on processing applications. Thank you for your co-operation.

**To be eligible for this payment a person must be confined to their home or a medical facility.**