



PENINSULA

Temporary COVID-19 Wage Subsidy Childcare Scheme (WSCS)

Guidance Notes and Frequently Asked Questions

Linked to the COVID-19 Temporary Wage Subsidy Scheme (TWSS), the Department of Children and Youth (DCYA) has established the Temporary COVID-19 Wage Subsidy Childcare Scheme (WSCS).

Background

The new DCYA Scheme was developed to sustain the Early Learning and Care (ELC) and School Age Childcare (SAC) sector at this time of crisis and in conjunction with the wider Government / Revenue Temporary Wage Subsidy Scheme. The Scheme is an exceptional measure, taken in response to the economic impact of COVID-19. It will lapse after no more than 12 weeks.

Specifically, the WSCS is seeking to address the following concerns:

- That ELC and SAC workforce may be lost from the sector which was already experiencing recruitment, retention and capacity difficulties
- That ELC and SAC services would not be in a position to reopen following the crisis, denying children access to early education and having a significant detrimental effect on the economy as parents could be prevented from returning to the workplace.
- That parents might be expected to continue to pay fees or risk losing their child's place.

Purpose

This Scheme is designed to enhance the supports available to ELC and SAC staff and providers at this time of crisis. It will enable providers which sign up to it to retain their staff and it will give them a contribution to overhead costs that are still being incurred, despite the closure.

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There are three key elements to the new Scheme:

- (i) In addition to the wage subsidy provided by Revenue under the Temporary COVID-19 Wage Subsidy Scheme, DCYA will top-up of wages of ELC and SAC staff to pre COVID levels, to limit of €585 per week as per the Revenue scheme.
- (ii) Where a staff member's pre-12 March weekly wage was below the DEASP set rate for temporary Pandemic Unemployment Payment (€350 net per week), DCYA will on a temporary basis top-up the Revenue payment of 70% wage to a value of €350 p/week, meaning that all staff will be encouraged to remain with their employer rather than sign on with the DEASP. Where an employee previously laid off has been re-hired, the employee will qualify for the Subsidy scheme and their DEASP claim will be closed.



In order to ensure correct payment of the wage subsidy, employees should use <https://services.mywelfare.ie/> to close their claim immediately they are taken back onto the business payroll.

(iii) To reflect the unique circumstances of the sector, in addition to 100% funding of staff wages, services will receive a further payment which will be a percentage of their total staff wage costs (gross) to be used towards ongoing / unavoidable operational costs. The standard rate will be 15% of staff wages with a minimum payment of €300 per week.

(iv) DCYA are giving further consideration to the question of eligible support for owner/managers. The Minister stressed that these are emergency measures that will apply for up to 12 weeks, in accordance with the government's decisions in this area.

This new scheme, once operational, will replace ECCE, NCS, CCS and TEC for up to 12 weeks. A date will shortly be confirmed for the operation of the new scheme.

The Revenue WS Scheme commenced on the 26 March 2020 and can be availed of by any ELC and SAC providers where their turnover has likely been reduced by 25% or more for Q2 2020. The WSS supersedes the Employer COVID Refund scheme, which has now ceased.

Once the Wage Subsidy Childcare Scheme is up and running, providers will be able to sign a new agreement for it and DCYA will provide the top ups and overhead contribution retrospective to providers' date of signing and subject to confirmation that they are participants in the temporary Covid-19 Wage Subsidy Scheme.

Terms and conditions attached to the WSCS

ELC and SAC providers must first register with Revenue for the TWSS. They must then sign the WSCS Agreement agreeing to a number of conditions that include:

- Not charging parents fees.
- Assure parents that their children's places are as secure as they can be post COVID-19.
- Agree to ensure staff are paid at pre-COVID-19 levels, with the benefit of the funding from Revenue and DCYA.
- Take active steps to reinstate their staff that have already been laid off on the same terms as above (staff reinstated on pre-COVID terms and conditions).
- Staff would use some of this time for Continuous Professional Development (CPD) and other professional activities. Employers will use some of this time to catch up on administrative tasks and familiarise themselves further with the National Childcare Scheme (NCS) and any other resources. Information on free online CPD resources will be disseminated shortly, and further free online CPD courses and professional development resources will be made available in the coming weeks.
- Provide required Revenue data to Pobal / DCYA on request and give consent to Revenue to provide evidence of staff costs to allow the Department of Children and Youth Affairs to process payments to providers.

Access to the Scheme is contingent on the express agreement of the above and signing of the WSCS Agreement. Funding under the Scheme will flow based on this agreement.



Application Process

A new WSCS Agreement will be made available as soon as possible. The service provider will have to sign this and agree to meet the conditions required to avail of the WSCS.

A service provider must first register with Revenue for the COVID 19 Temporary Wage Subsidy Scheme. Whilst the details are still being finalised, it is expected that they will then be able to download the relevant forms from the Programme Implementation Platform (PIP) portal. This can be completed offline and once signed, can be scanned and uploaded again through each service's secure PIP portal. When available, providers will also be required to submit evidence of their award under the Covid 19 Wage Subsidy Scheme and associated information to retain funding received and reconcile payments for the remainder of the 12 week period. Providers will be given clear instructions on this reconciliation process when it is activated

Payment Schedule

Whilst details are being finalised, it is expected that payments will be made every two weeks from the date of the first payment.

The WSCS will provide a top up to pre-COVID wage levels (up to a maximum of €585 net per week) based on January and February Employer Return to ROS. However, in some cases ELC and SAC providers may have temporarily laid off staff in response to the sudden closures and if an employment relationship is not reinstated with these staff members then the level of payment due will be reduced. As noted previously one of the objectives of the WSCS is to support the sector to maintain the workforce and support sustainability of the sector.

Frequently Asked Questions

For what period will the WSCS operate?

The wider Temporary COVID 19 Wage Subsidy Scheme will operate for up to 12 weeks from 26 March. The WSCS will operate within the same time period, be it that it is expected to be introduced some days later. DCYA ELC & SAC funding programmes will resume after COVID-19.

Who can apply for the WSCS?

Any service provider who had been operating DCYA funded ELC and SAC programmes as of 12 March 2020 and has registered with Revenue for the COVID 19 Temporary Wage Subsidy Scheme.

What if a service provider does not want to sign-up for the WSCS?

There is no obligation on ELC and SAC service providers to sign-up to either the Revenue operated COVID-19 Temporary Subsidy Scheme or the DCYA WSCS. However, from the date the WSCS goes live, no further payments will be made to centre based providers for the DCYA ELC and SAC programmes.



How will the Temporary COVID 19 Wage Subsidy Scheme operate in the ELC and SAC sector?

Linked to the COVID-19 Temporary Wage Subsidy Scheme, the DCYA has established the Temporary COVID-19 Wage Subsidy Childcare Scheme (WSCS).

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What administration is required under the COVID 19 Temporary ELC & SAC Scheme?

The administrative processes and detail for the operation of this scheme are still being finalised and further detail will follow in the coming days. In order to be delivered quickly to respond to the significant need from staff and providers, the process will be kept as simple as possible.



It will likely require the completion of a simple application process which will include a self-declaration and signed consent for data sharing with Revenue.

Initial payments will be made based on currently available data and then further reconciled based on the evidence of actual payment received from Revenue under the Covid-19 Wage Subsidy Scheme when that becomes available in the coming weeks. On receipt of this confirmation, the payments will be adjusted and reconciled based on the applicable rates under the WSCS. Full details of the process to achieve this reconciliation will be made available. This evidence will be used to calculate both the 30% and 15% funding amounts.

Services which had employees, before COVID, earning net wages below the Pandemic Unemployment Payment (PUP) of €350 net per week, will be required to provide additional information to facilitate an increased top-up to match the PUP.

If services did not pay staff during certain periods e.g. the Easter holidays, previously, will they now avail of the new measures immediately, or should their staff seek assistance from the DEASP for these periods.

Based on the Revenue rules, services should seek to pay employees a weekly wage during this 11/12 week period which includes the Easter period.

As outlined above, individuals who have been claiming the PUP from DEASP – but who will now be supported under the new WSCS, should sign off and cease claiming the DEASP payment immediately.

Why is DCYA topping up ELC and SAC staff wages to bring the staff wages to their pre-COVID levels?

Evidence shows that high levels of staff turnover are not good for children who access ELC services. Before COVID, there was an unacceptable 23% turnover level in the sector. Following the closure of crèche families for public health reasons, it is important that as many staff as possible are retained and return to work with the children they previously worked with before COVID.

The average weekly salary in the ELC and SAC sector prior to COVID was €364. We want to retain the employee-employer link where possible during and post Covid-19. This measure was taken with the best interests of the ELC and SAC sector in mind.

Why is DCYA topping up all staff wages to a minimum rate of €350 net per week?

This is a 12 week scheme in response to the sudden and damaging economic impact of COVID 19. This impact of COVID 19 would be particularly damaging in the ELC and SAC sector. As continuity of care is critical to ensure the quality of early education and care for children therefore the retention of staff during this 12 week period is an imperative for the sector. The previous 23% turnover in the sector was already unsatisfactory. Retention of as many staff as possible is also necessary to protect capacity. There were issues with capacity before COVID, with some parents experiencing significant difficulty in accessing ELC and SAC places. In order to retain staff with their employer, DCYA has agreed to top-up all payments under the Revenue scheme to a minimum rate of €350 net per week for this temporary period.



What is the additional payment for providers to contribute to their non-pay overheads and why is it derived at 15% of staff costs?

In addition to the significant contribution to cover pre-COVID staff wages, the WSCS provides funding for use on ongoing operational costs of childcare services. This payment is set at 15% of the total staff costs. This rate is derived from a number of sources including the Independent Review of the Cost of Delivering Childcare in Ireland undertaken by Crowe that was due to be published in April 2020. Importantly, the Crowe findings were independently verified by a UK economic consultancy firm and are consistent with other Irish and international studies.

How will registered childminders who are still caring for children who are registered under ELC and SAC programme be paid during this period?

Only centre based ELC and SAC services were directed to close on March 12. Childminders were permitted to continue operating but strictly in adherence with HSE guidance regarding physical distancing etc. The very small number of childminders that are still caring for children who are operating under ELC and SAC programme will continue to be paid. Childminders should continue to monitor and follow HSE advice and any instruction from Government or the National Public Health Emergency Team.

Can childminders sign up for the WSCS?

As childminders are self-employed by definition then any childminder who had been operating DCYA funded ELC and SAC programmes as of 12 March 2020 but no longer has children in attendance can apply for the Pandemic Unemployment Payment and other DEASP supports. A childminder cannot receive WSCS payments at the same time as receiving payments under the ECCE, NCS, CCSP, TEC or PUP.

Are the COVID 19 Temporary Wage Subsidy Scheme and the WSCS reimbursement schemes similar to the Employer Refund Scheme?

The TWSS is a reimbursement scheme, the WSCS is not. Once an employer registers with Revenue for TWSS, payments from Revenue will commence very quickly. The amounts paid to employees by employers and notified to Revenue will be transferred into the employer's bank account by Revenue. This reimbursement will, in general, be made within two working days after receipt of the payroll submission. This will provide a mechanism to get the wage subsidy to employers so that they can pay this to employees.

The further DCYA top-up, to an overall maximum of €585 net per week per ELC and SAC employee, will be payable to eligible providers who have successfully completed the WSCS application process. Payments will issue by Pobal as soon as possible thereafter and will be applied retrospectively from the date of signing the Agreement and submitting application form. WSCS payments will then continue to be paid in advance for periods of 2 weeks.

What is the payment timing between the cessation of ECCE, CCS, NCS and TEC scheme funding and the commencement of the funding under the new WSCS?

This detail is still being finalised. It is most likely however that the first payments will be received by April 10th. All services in receipt of DCYA scheme payments have received them up to the 3.4.2020. After this, payments will be backdated to the date of application and signing of the Agreement.



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What about ELC/SAC providers who are self-employed?

Self-employed ELC/SAC providers that are paid through the payroll system and are included in the relevant payroll submissions for an eligible employer, are included in the Revenue operated subsidy scheme and the DCYA operated WSCS.

Self-employed ELC/SAC providers that are not paid through the payroll system and are not included in the relevant payroll submissions for an eligible employer can apply directly for the Pandemic Unemployment Payment (PUP) of €350 per week that is operated by DEASP under the COVID-19 Pandemic Unemployment Payment Scheme.

Self-employed ELC/SAC providers **with no employees** can also avail of the DCYA overhead payment (i.e. 15% of staff wages with a minimum payment of €300 per week).

Self-employed ELC/SAC providers **with employees** can also avail of the WSS operated by Revenue and the WSCS operated by DCYA for their employees.

What happens after COVID-19?

The WSCS is a temporary scheme and is an exceptional measure devised to respond to the crisis of COVID-19. Government has committed to this scheme for up to 12 weeks.

The WSS, the WSCS and other Government supports to business all aim to retain the employer/employee relationship during the closure period so that the business can reopen after as seamlessly as possible.

This relationship between employer and employee is of particular relevance within the ELC and SAC sector as quality outcomes for children depend on a continuity of care between the child and their caregiver.

The ELC and SAC sector is of primary importance to support the country get back on its feet after COVID. Working parents returning to work will need ELC and SAC in place. The WSS and the WSCS are supporting the retention of capacity.

Once crèches are allowed re-open, DCYA will re-initiate ECCE, NCS, CCS and TEC. Funding for these schemes will resume.

Significant reform programmes, including the Work Force Development Plan, the Childminding Action Plan, the regulation of School-Age Childcare and the development of a future Funding Model, are underway and will continue after this crisis period. There may be some delay to their expected timeframes due to resources being diverted during this period to COVID related issues.

Need Further Advice?

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