

COVID-19 TEMPORARY WAGE SUBSIDY SCHEME

Do you meet the Employer Criteria?

Eligibility is largely based on self-assessment and a declaration by the employer concerned, combined with a risk focused follow up by Revenue

Employer Criteria:

Turnover is likely to decrease by 25% for Quarter 2, 2020. This judgement may be based on a decline in orders for March 2020, in comparison to February 2020, or the likely turnover for Q2 compared to Q1 2020 or Q2 2019, or any other basis that is reasonable

Unable to pay normal wages and outgoings fully due to the impact of COVID-19

Retain employees on the payroll

If the business has large Cash Reserves

Where the above criteria have been met and the cash reserves are not being used to fund debt, the employer may still qualify for the scheme but would be expected to continue to pay a significant proportion of the employees' wages

How to Operate the Scheme

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

PRSI Class set to J9

Calculate the employees Average Net Weekly Pay (ANWP)

The ANWP should be calculated using the values in the payroll submission for each pay date in Jan and Feb 2020. From Gross Pay subtract Tax, USC and EE PRSI paid, then divided by the number of insurable weeks for the period (capped at 9)

For those employees with an ANWP lower than or equal to €586 enter a non-taxable amount the lower of 70% of ANWP or €410

For those with an ANWP between €586 and €960 enter a non-taxable amount of €350

Where the ANWP is in excess of €960, no subsidy is available

If the employer is not making any top up payment they should include a gross payment of €0.01

If the employer is making a top up payment they should include this amount in gross pay (based on current Revenue Guidance)

Income Tax and USC will not be applied to the subsidy payment through payroll but may be subject to tax directly on the employee on review

Employee PRSI will not apply to the subsidy payment or any top up payment

Employer PRSI will not apply to the subsidy and will be reduced from 11.05% to 0.5% on the top up payment

The scheme applies to all employees including directors

Total take home pay may not exceed the ANWP

How to Register for the Scheme

Log on to ROS myEnquiries and select the category COVID-19 Temporary Wage Subsidy

Read the "COVID-19 Temporary Wage Subsidy Declaration" and press the "Submit" button

Check the bank account details on ROS are correct, in "Manage bank accounts, Manage EFT"

Key Features of the Scheme

Replaces the previous COVID-19 Refund Scheme

Effective from 26th of March 2020

Applies to both employers who top up employees' wages and those who aren't in a position to do so

Reimbursement will be made in 2 working days after receipt of payroll submission

Further Information

[McInerney Saunders Dedicated COVID-19 Webpage](#)
[Revenue Guidance on Wage Subsidy Scheme](#)