

New Employment Wage Support Scheme

Changes introduced by July Stimulus Package

On July 23, 2020 the Government announced changes to the Temporary Wage Subsidy Scheme (TWSS) outlining a new Employment Wage Support Scheme which will succeed the current TWSS from September 1, 2020. The new scheme is expected to run until March 31, 2021, but from July 1, 2020, both schemes will run in parallel until the cessation of the TWSS on August 31, 2020. While further information on the Employment Wage Support Scheme is due to be published by Revenue over the coming weeks, they have outlined below the basis of the new scheme.

What is the Employment Wage Subsidy Scheme (EWSS)?

The Employment Wage Subsidy Scheme (EWSS) is a whole economic support whose focus is primarily on business eligibility. For qualifying employers, the scheme will provide a flat-rate subsidy based on the numbers of paid and eligible employees on the employer's payroll.

Qualifying criteria for Employers

To qualify for the scheme, employers must be able to demonstrate that:

- the business will experience a 30% reduction in turnover or orders between 1 July and 31 December 2020
and
- this disruption is caused by Covid-19.

This reduction in turnover or orders is relative to:

- the same period in 2019 where the business was in existence prior to 1 July 2019
- the date of commencement to 31 December 2019
or
- where a business commenced after 1 November 2019, the projected turnover or orders.

Other Points of Note

- Under the EWSS employers will be required to undertake a review on the last day of every month to ensure they continue to meet the eligibility criteria. Following this review employers must deregister for the scheme with effect from the next day i.e., the first day of the month.
- Childcare businesses registered in accordance with Section 58C of the Child Care Act 1991 are also included in the scheme.
- Certain categories of employees are excluded (further guidance will be provided shortly) and safeguards will be included to minimise abuse.
- The scheme will be administered by Revenue on a 'self-assessment' basis. The EWSS will re-establish the normal requirement to operate PAYE on all payments. This includes the regular deduction and remittance of income tax, USC and employee PRSI.

Claiming EWSS for new hires and seasonal workers

Eligible employers may backdate a claim to 1 July 2020 for EWSS payments in respect of new hires and seasonal workers, subject to limited exceptions. Payments in respect of July and August are expected to be made by Revenue in mid-September, with payments for subsequent periods being made monthly in arrears thereafter.

From 31 July:

- TWSS employers can claim for non-TWSS employees (new hires) under the new EWSS.
- Non-TWSS employers, who have not previously availed of TWSS, will only be eligible to apply for the EWSS.
- TWSS employers will still be able to rehire eligible employees and continue to operate TWSS to 31 August 2020.

Subsidy Support

Level of subsidy the employer will receive is per paid employee

Employee Gross Weekly Wages	Subsidy Payable
Less than € 151.50	Nil
From € 151.50 to € 202.99	€ 151.50
From € 203 to € 1,462	€ 203
More than € 1,462	Nil

Note: This support will be backdated to 1 July for employees of qualifying employers who did not qualify for TWSS.

PRSI: A 0.5% rate of employers PRSI will continue to apply for employments that are eligible for the subsidy.

Publication: A list of employers availing of EWSS will be published in January 2021 and April 2021 on the Revenue website.

Disclaimer – The information in this section is provided for reference purposes only to assist Employers with the government protocols and guidance and must be read in that context and should not be used for or interpreted as a legal definition of any of the information provided. The information provided is correct of Aug 13, 2020 and is per information published on the Revenue Commissioner website at <http://www.revenue.ie> as of that date. Professional advice should always be sought before making any such decisions.

For further information or advice, please contact the designated HR & Employment Helpdesk at thewheelhrhelpdesk@adarehrm.ie or via telephone on (01) 5394661 Monday – Friday 9.00am- 5.00pm