

Government's Economic Recovery Plan & Employer Implications June 3, 2021

The Government has this week announced its Economic Recovery Plan setting out a range of measures relating to the extension of employment-based supports but also the planned investment and policies for a new stage of economic recovery and renewal.

The new phase of supports and policies contained within the plan will invest in businesses and workers; help people get back into work, training or education; provide enhanced and more targeted support for sectors that may lag behind and invest in infrastructure and reforms that enhance our capability and long-term capacity for growth¹.

Extension of Existing Supports

Pandemic Unemployment Payment

The Pandemic Unemployment Payment is to be extended beyond 30 June 2021 for existing claimants in recognition that opportunities to return to work will remain impacted by public health restrictions in the coming months. The Government intend closing the scheme to new entrants from July 1st and after September 7, 2021, the current rates of support under the scheme will be gradually reduced on a phased basis.

For employers in the Charity and Not-for-Profit sector this continued assistance will prove essential to staff who have been laid off, but also acts as a signal to re-evaluate the workforce.

In order to deal with this effectively organisations need to implement a workforce plan, assess newly emerged priorities, analyse the financial challenges and assess the current needs of the organisation, to fully understand the suitability of skills, experience and requirements within the new norm. Proper planning and transparent communications are key to managing the unintended consequences that come from changes to roles and impacts on the workforce.

Emergency Measures in the Public Interest (Covid-19) Act 2020

The right of an employee to give notice of a redundancy claim following a period of layoff or short time work due to the pandemic was temporarily suspended in March 2020 and has since been extended on a number of occasions. Under the Economic Recovery Plan, the Government have signalled one final extension to September 30, 2021, to allow employers the opportunity to assess the needs of the organisation including their staffing needs, as the economy re-opens and restrictions continue to ease.

Similar to the impact of the changes to the pandemic unemployment payment, this also acts as a signal for organisations within the Charity and Not-for-Profit sector to re-evaluate and re-assess the needs of the organisation.

Where a situation arises that an employee seeks to initiate a claim of redundancy further supports are being put in place that will assist organisations. In this situation where organisations can demonstrate verified financial challenges caused by the pandemic, they will be supported as they

¹ Economic Recovery Plan 2021 prepared by the Department of the Taoiseach

deal with these potential additional statutory redundancy costs as a Covid-19 deferred payment arrangement is thought to be put in place. For some organisations this arrangement will prove timely, but the details of this arrangement are yet to be worked out.

The Employment Wage Subsidy Scheme (EWSS)

The Employment Wage Subsidy Scheme is to be extended from 30 June until 31 December 2021 and while the current payment rates will be maintained throughout the summer months the rates after September are yet to be determined. One important change to the EWSS is that the qualifying criteria is to change to now account for turnover this year, relative to 2019 prior to the pandemic.

Conclusion

With further supports and economic activity planned, the signals are all there for a return to some form of normalcy. Organisations and employers alike must now take stock of their requirements in order to plan accordingly. Integral to this is the re-assessment of organisational needs and workforce planning. This review process will drive organisational realignment in the achievement of working in the new normal thus creating a workforce that is resilient and flexible, working to the right size, in the right manner, at the right cost and with agility.

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