

Disclaimer: This factsheet has not been subject to the full Eurofound evaluation, editorial and publication process.

Factsheet for case **IE-2020-13/777**

Temporary COVID-19 wage subsidy scheme introduced

Factsheet generated on 30 April 2020, 15:42

Country	Ireland, applies nationwide
Time period	Temporary, 26 March 2020 - 26 June 2020
Type	Legislation or other statutory regulation
Category	Employment protection and retention – Income support for people in employment (e.g. short-time work)
Case created	23 April 2020 (updated 30 April 2020)

Background information

On Tuesday, 24 March the Irish Government announced new measures to provide financial support to workers affected by the COVID-19 crisis. As part of these measures, the Revenue service operates a Temporary Wage Subsidy Scheme. The scheme enables employees whose employers are affected by the pandemic to receive significant supports directly from their employer through the payroll system. The scheme is expected to last 12 weeks from 26 March 2020.

The scheme was introduced as part of the terms of the Emergency Measures in the Public Interest (Covid-19) Act 2020.

On Wednesday 15 April, the Minister for Finance announced further updates to the Temporary Wage Subsidy Scheme.

Content of measure

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

It is open to 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 certain conditions and, subject

to the levels of pay made to employees, the employer may be eligible for the scheme for some, or all of its employees.

The employer includes the subsidy as part of the employees' wages in addition to any amount that the employer would otherwise be able to pay. The subsidy element on the employee's payslip is indicated as a payment described as "GovCov19 WageSub".

A subsidy of 85% is payable for employees whose net weekly income does not exceed €412.
A subsidy of 70% is payable for those whose net weekly pay was previously no more than €500 but less than €586, with a cap of €410.

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 and be unable to pay normal wages and normal outgoings fully. They must also 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 was made to Revenue in the period from 1 February 2020 to 15 March 2020.

Use of measure

47,400 employers are registered with Revenue for the scheme.

According to the minister responsible on 29/4/20, "The cumulative value of payments made to employers under the scheme is €652 million, almost 400,000 employees have now received at least one payment under the scheme".

Actors, target groups and funding

Actors	Target groups	Funding
National government	All companies	National funds

Social partners

Role of social partners	Consulted
Form of involvement	Direct consultation

Ibec, the group that represents Irish business, welcomed the COVID-19 Temporary Wage Subsidy Scheme (TWSS). Ibec CEO Danny McCoy said: "The TWSS scheme offers a strong solution for business and

workforce continuity. It will continue to play a vital role in enabling the economy to bounce back at the other end of this crisis, helping vulnerable firms to stay afloat and keeping their employees engaged whilst protecting the incomes of individuals.

Patricia King, General-Secretary of the Irish Congress of Trade Unions welcomed the Government's decision to establish a Temporary Wage Subsidy Scheme to maintain jobs and support workers' incomes during this unprecedented crisis, as first called for by ICTU in its letter of 18 March to the Taoiseach when we outlined the urgent need for a 'temporary wage subsidy scheme' that would help to keep workers in their jobs, protect them from unemployment and loss of income, and to help the economy rapidly recover when the Covid ends. "These unprecedented times demand unprecedented measures to minimise the impact on workers, their families and the business community", Patricia King said.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 25 April 2020: Revenue Commissioners (www.revenue.ie)
- 29 April 2020: Covid-19: Over €650 million now given to businesses employed (www.thejournal.ie)