

COVID 19 - Temporary Wage Subsidy Scheme

If you qualify based on the terms set out in our document “Employers Qualification Criteria” and wish to proceed with the scheme, please make yourself familiar with the following.

How does it work?

- You will apply for the scheme through ROS (Revenue Online System) My Enquiries and sign the declaration therein.
- The scheme is currently set to run for 12 weeks commencing March 26th.
- You may process 70% of an employee’s normal salary (average of salaries earned in January and February under normal conditions) tax free through the payroll.
 - Limited to €410 weekly for employees earning less than or equal to €586 net per week,
 - Limited to €350 weekly for employees earning between €587 and €960 net per week
 - It cannot be implemented at all for those who earn a net pay of more than €960 per week.
 - Instructions for payroll operators on how to process the scheme through the payroll are attached separately.
- You agree to refund Revenue any amount refunded to you above the subsidy amount paid to employees. (During the transitional Phase, Revenue will refund €410 per employee – if this is more than is due under the subsidy for each employee, the Employer is must repay the excess to Revenue)
- You may top up any amount not to exceed an employees current average net salary. Any amount that exceeds the net pay will result in a deduction from your Revenue subsidy refund. This is very important to note.
- If you choose to top up this payment, the Employer PRSI element on the top up amount will reduce to 0.5% (from 11.05% or 8.95% depending on current rate)
- Any PAYE and USC refunds that arise as a result of the application of tax credits and rate bands can be repaid by the employer and Revenue will also refund this amount.
- The transitional phase will last until April 21st and Revenue plan to implement the operational phase from that date where we should expect further clarity.

We note there is a condition in Revenue guidelines where they state that the **employee will be taxable on the subsidy amount** by review at year end. This would be very unfair however like the rest of this document there will be further clarifications required.