

Tax alert

Ireland

COVID-19 Temporary Wage Subsidy Scheme - Update

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On Friday, 5 June, the Minister for Finance announced that the Temporary Wage Subsidy (TWS) Scheme in its current format is to be extended to 31 August. It was initially due to expire on 18 June.

The criteria to be satisfied by an 'eligible employer' has not changed, i.e. it is still necessary for the employer's business to have a decline of at least 25% on Q2 2020 turnover, as well as an inability to meet payroll costs fully. As the 25% disruption to Q2 2020 will now be a matter of fact rather than speculation, it is likely that Revenue will focus their attention on the inability to meet payroll costs in considering whether an employer is eligible to continue claiming the TWS. The Minister for Finance stated in his press release that he will expect to see a continued decline in reliance on the scheme as the economy continues to re-open and people are able to return to work.

The full detail of qualifying criteria for an employer can be found [here](#).

Maternity/Paternity/Adoptive/Sick Leave

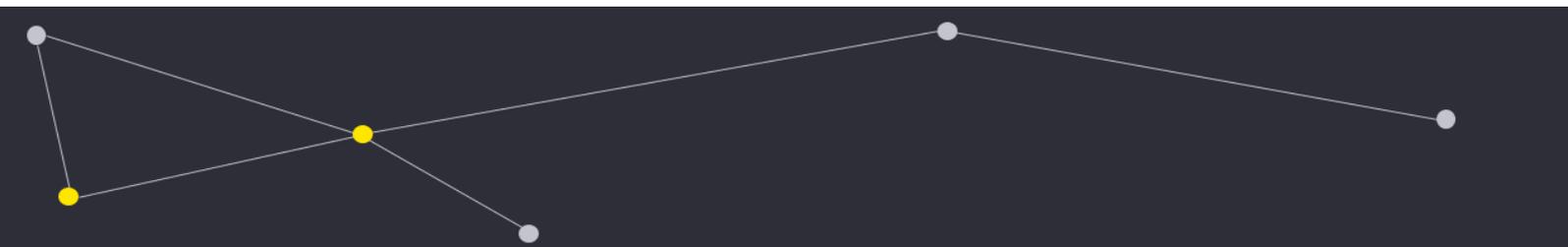
When the TWS was first introduced, employees who were on leave and in receipt of certain payments from the Department of Employee Affairs and Social Protection (DEASP) were not eligible to participate in the TWS as they were not on the employer payroll on 29 February 2020 or may not have been paid in January or February 2020. Employers can now include any such employee, returning from the relevant leave after 26 March and the TWS payments will be backdated to 26 March, the date of return, or when the employer first registered for the TWS, whichever is later.

The relevant categories are:

- Maternity, adoptive or related unpaid leave
- Paternity, parental or related unpaid leave
- In receipt of Health and Safety or Parent's Benefit paid by the DEASP for February 2020, or
- In receipt of Illness Benefit paid by the DEASP for February 2020

Employers now wishing to claim the TWS for such an employee should log on to ROS myEnquiries, click ADD "A New Enquiry" and select the current category "Covid-19: Temporary Wage Subsidy", Subcategory: "TWSS - Maternity and other Benefits".

As there are no payroll records for these employees for January and February 2020, Revenue will manually calculate a net weekly pay for each employee concerned and will create a revised 'csv file' for the employer. Full details on the new arrangements are included in the Revenue's FAQs (V14) on the TWS, which can be accessed [here](#).



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