

COVID-19 Income Supports

Understanding what financial supports are available for employers and employees

In response to the effect of COVID-19 on Irish businesses the Government, and in particular the Department of Employment Affairs & Social Protection (the **DEASP**), introduced a range of financial measures to support businesses and their workers who are effected by the COVID-19 crisis. These new measures complement existing social welfare benefits which provide financial assistance to workers during periods of unemployment or sickness. Full information on these benefits is available on the [COVID-19 page](#) on the DEASP's website.

Available Supports

The supports that are available to employers, employees and the self-employed include:



A&L Goodbody's Employment Team has summarized the financial supports that are available to employers, employees and the self-employed, indicating the nature of the support available, any eligibility criteria you have to meet, and how to apply for these supports.

Read our update to understand the range of financial supports that are available to support your business and your workers during these uncertain and ever changing times. If you require specific advices on the **Temporary Wage Subsidy Scheme** or any of the other schemes mentioned, contact Duncan Inverarity, Partner, Triona Sugrue, Knowledge Lawyer, Amy Martin, Solicitor, or any member of the ALG Employment Team.

Overview – Social Welfare Payments Potentially Available to Workers

Type of support	Available to who?	Amount & Duration	How to Apply
Employer Support			
COVID-19 Temporary Wage Subsidy Scheme (TWSS)	<ul style="list-style-type: none"> ▪ Is available to employers who: <ul style="list-style-type: none"> ○ self-declare that they have experienced significant negative economic disruption due to COVID-19, with a minimum of 25% decline in turnover ○ are unable to pay normal wages and normal outgoings fully ○ retain their employees on the payroll - employees may be temporarily not working, or some may be on reduced hours and/or reduced pay ▪ Employers are expected to make best efforts to maintain as close to 100% of normal income as possible for the subsidised period. There is no minimum amount that employers must pay in order to be eligible for the TWSS, but they will need to enter at least €0.01 in gross pay when running payroll. ▪ The TWSS is only available for employees who were on the employer's payroll as at 29 February 2020, and for whom a payroll submission has already been made to Revenue in the period from 1 February 2020 to 15 March 2020 ▪ Employers who avail of the TWSS will be published by the Revenue ▪ The self-employed should apply for the COVID-19 Pandemic Unemployment Payment (see below) 	<ul style="list-style-type: none"> ▪ The TWSS replaced the Refund Scheme that was announced on 17 March 2020 ▪ The TWSS was originally expected to last for 12 weeks commencing 26 March 2020 (i.e. until 18 June) but has since been extended until the end of August 2020. <p>From 26 March 2020 (Phase 1)</p> <ul style="list-style-type: none"> ▪ <i>Net Wages of €586 per week or less</i> <ul style="list-style-type: none"> ○ A subsidy of €410 (or 70% of the employee's net average weekly pay if less than €410) for employees earning net wages of €586 per week or less ▪ <i>Net Wages between €586 and €960 per week</i> <ul style="list-style-type: none"> ○ A subsidy of €350 (or 70% of the employee's average net weekly pay if less than €350) for those earning over €586 per week net and less than or equal to €960 per week net ▪ <i>Net Wages in excess of €960 per week</i> <ul style="list-style-type: none"> ○ From 26 March – 15 April, employees whose average net weekly wage was more than €960 were excluded from the TWSS. ○ From 16 April, the wage subsidy is available to employees whose average net weekly wage was greater than €960 in January/February, but has now been reduced to below €960 per week, subject to the following tiered arrangements Where the reduction is: <ul style="list-style-type: none"> ○ less than 20%, no subsidy is payable; ○ between 20% and 39%, a subsidy of up to €205 is payable; and ○ 40% or more, a subsidy of up to €350 is payable. ○ The maximum additional payment an employer can make, to receive the full subsidy, is the difference between the employee's average net weekly wage and their maximum weekly wage 	<ul style="list-style-type: none"> ▪ If employer signed up to the COVID-19 Refund Scheme, they don't need to re-apply ▪ Employers, or their agents, wishing to register for the TWSS can apply to Revenue by carrying out the following steps: <ul style="list-style-type: none"> ○ Log on to ROS myEnquiries and select the category 'Covid-19: Temporary Wage Subsidy'. ○ Read the "Covid-19: Temporary Wage Subsidy Self-Declaration" and press the 'Submit' button. ○ Ensure bank account details on Revenue record are correct. These can be checked in ROS and in 'Manage bank accounts', 'Manage EFT', enter the subsidy bank account that the subsidy is to be made to. ▪ Revenue has released guidelines and FAQs which can be accessed here.

subsidy. Tiered arrangements and tapering measures will apply to ensure that that the employee's net pay does not exceed €960.

From 4 May 2020 (Phase 2)

- *Net Wages of less than €412 per week*
 - A subsidy of 85% of the employee's net average weekly pay will be available.
 - Tapering will not apply to this category of workers where an employer decides to top up salaries by more than 15% so that the employee receives €350 per week (between the subsidy and the employer top up).
- *Net wages between €412 and €500 per week*
 - A flat rate subsidy of €350 per week
- *Net wages between €500 and €586 per week*
 - A subsidy of 70% of the employee's average net weekly pay, up to a cap of €410
- *Net wages between €586 and €960 per week*
 - The maximum cap on the subsidy will be €350 per week.
 - The amount of the subsidy available will be based on a new tiered approach and the subsidy available will depend on the level of employer top up as follows:
 - Employer top-up up to 60% of the employee's average net weekly pay: a subsidy of €350;
 - Employer top-up of between 60% and 80% of the employee's average net weekly pay: a subsidy of €205; and
 - Employer top up of more than 80% of the employee's average net weekly pay: no subsidy.
- *Note that tapering will be applied to the subsidy amount in some cases.*
- *For more information on Phase 2, please see our briefing [here](#).*

Tax Considerations

- The subsidy amount is not taxable in real-time through the PAYE system. The employee may be liable for tax on the subsidy amount paid to them by their employer by way of review at the end of the year.
- Employee PRSI will not apply to the subsidy or any top-up payment made by the employer.
- Employers PRSI will not apply to the subsidy and will be reduced from 11.5% to 0.5% on the top-up payment.

Income Support Benefits

COVID-19 Pandemic Unemployment Payment (PUP)

- Available to employees who have lost their job, have been temporarily laid off or have been asked to stay at home due to the COVID-19 pandemic and are not getting any money from their employer.
 - This PUP is also available to the self-employed who have ceased trading due to the COVID-19 pandemic
 - Must be aged between 18 and 66
 - Must have been in employment or self-employment immediately before Friday 13 March 2020.
 - Not available for:
 - Employees put on short time – they may qualify for Short Time Work Support
 - Employees who voluntarily left employment or self-employment
 - Employees who are continuing to receive income from their employer.
 - Employees who have been diagnosed with COVID-19 or have been told to self-isolate by their GP. These employees should apply for Illness Benefit (see below).
 - Until 28 June €350 per week – flat rate payment
 - Was originally €203 until Government increased it on 24 March 2020
 - Will be in place until 10 August 2020
 - The DEASP advises employees with adult or child dependants to claim Jobseeker's Allowance / Benefit (whichever is applicable) as that may result in the worker receiving a higher rate of payment
- From 29 June**
- From 29 June 2020, the structure of the PUP will change to a two level payment structure to link the PUP level to prior earnings payment as follows:
 - for those whose prior earnings were €200 per week or above, the PUP will remain at a rate of €350 per week; and
 - for those whose prior earnings were up to €199.99 per week, the PUP will reduce to a rate of €203 per week.
 - Workers apply for the PUP online, on [MyWelfare.ie](https://www.mywelfare.ie), or by sending the completed [application form](#) by Freepost to PO Box 12896, Dublin 1

Short-Time Work Support

- Available for employees only when they have been temporarily placed on short-time i.e. his/her hours of work have been reduced
- In order to qualify, the employee must:
 - currently work 3 days per week or less;
 - have previously worked full-time;
 - be under the age of 66;
 - be capable of work; and
 - have sufficient PRSI contributions
- The rate of payment is calculated on the basis of the maximum weekly rate of Jobseekers Benefit of €203, depending on a worker's PRSI contributions, and is then paid pro-rata for each day the worker is no longer working
- An employee may also get an increased rate of payment for a qualified adult and qualified children
- The following table may assist in calculating the applicable rate:
- Employees apply for this benefit online, on [MyWelfare.ie](https://www.mywelfare.ie), or by sending the completed form [UP1](#) (to be completed by the employee) and form [UP14](#) (to be completed by the employer) to their local Intreo Centre

Days of Employment Lost	Single Person rate	Couple with no children rate	Couple with 2 children over 12 rate	Couple with 3 children (2 over 12, 1 under 12 rate)	Couple with 4 children (2 over 12, 1 under 12 rate)
2	€81.20	€135.08	€167.08	€181.48	€195.88
3	€121.80	€202.62	€250.62	€272.22	€293.82
4	€162.40	€270.16	€334.16	€362.96	€391.76

- Short-time Work Support is paid for a maximum of 234 days and will depend on how many social insurance contributions the employee has
- Short-time Work Support is not means tested and is not taxable

Jobseeker's Allowance/ Jobseeker's Benefit

- To be eligible for either benefit the worker must have been:
 - made redundant, or
 - placed on temporary lay-off
- To get **Jobseeker's Benefit** employees must have enough social insurance (PRSI) contributions. Jobseeker's Benefit rates are graduated according to earnings.
- To get **Jobseeker's Allowance** the employee must pass a means test
- Up to a maximum of €203 per week and shall continue:
 - in the case of Jobseeker's Benefit, for up to 9 months, or 6 months where the worker has less than 260 PRSI contributions; and
 - in the case of Jobseeker's Allowance, for as long as the worker continues to meet the conditions of the scheme
- an increase is payable for each child dependent if the applicant is getting an increase for a qualified adult. If the applicant does not qualify for an increase for a qualified adult, they may get a half-rate increase for a qualified child dependent
- Employees apply for this benefit online, on MyWelfare.ie, or by sending the completed form [UP1](#) to their local Intreo Centre.

Sick Leave Benefits

Enhanced COVID-19 Illness Benefit

- Unable to attend work
 - Medically certified as (i) being required to self-isolate; or (ii) unfit to attend work due to a COVID-19 diagnosis
 - To be eligible for this payment a person must be confined to their home or a medical facility
 - Available to employees and self-employed workers
- €350 per week for a maximum of
 - 2 weeks (where the worker is medically require to self-isolate; or
 - 10 weeks (where the worker is diagnosed with COVID-19. If the worker has been certified for less than 10 weeks, they will be paid for the duration of the certificate.)
 - Available immediately – the 6 day waiting period and requirement of having a minimum PRSI contributions have been waived
 - Employers may top-up the Enhanced Illness Benefit in accordance with their sick pay policy
 - Will be in place until 10 August 2020
- If an employee is diagnosed with COVID-19, or advised to self-isolate due to being a possible source of infection by a doctor, the doctor will complete a medical certificate on the employee's behalf and send this directly to the DEASP.
 - If the employee has been advised by the HSE that he/she must self-isolate due to being a possible source of infection (e.g. contact tracing), the employee will have received a text or a letter from the HSE.
 - If the employee returns from travel abroad and is following HSE self-isolation advice, and is not being paid by his/her employer, the employee will require medical certificate from his/her GP.
 - Employees can apply for this benefit online, on [MyWelfare.ie](https://www.mywelfare.ie) or by post. A medical certification from the employee's GP or a letter or text from the HSE must be provided when making the application.

Illness Benefit

- Unable to attend work
 - Medically certified as unfit to attend work, for reasons unrelated to COVID-19
 - Available to employees with sufficient PRSI contributions
- Up to €203 per week
 - The rate of payment is dependent on the worker's average weekly earnings in the relevant tax year
 - No payment is made for the first 6 days of illness. Thereafter is for up to 2 years, or 1 year if the worker has less than 260 PRSI contributions.
- To apply for this benefit, the employee's doctor must complete a medical certificate for the employee. The doctor can fill this in online or provide this to the employee in paper form. If the medical certificate is provided to the employee in paper form, the employee must send the medical

certificate along with a completed Form IB1 by Freepost to Social Welfare Services, PO Box 1650, Dublin 1.

Additional Schemes

Insolvency Payments Scheme

- In circumstances where the employer has become legally insolvent, the worker may claim the following outstanding debts from the Social Insurance Fund through the liquidator / receiver:
 - Arrears of wages and sick pay
 - Outstanding holiday pay
 - Unpaid statutory minimum notice
 - Certain arrears of pension contributions
 - Various statutory awards made by the Workplace Relations Commission (WRC)
- The following limitations apply:
 - Gross weekly wage is capped at €600 per week
 - There is a limit of eight weeks for arrears of wages, holiday pay and minimum notice
 - The maximum payment for arrears of wages or holiday pay or minimum notice is €4,800
- Employees apply for a benefit from the Fund by contacting the employer's liquidator or receiver.