



## Ireland

### **Impact of COVID-19 outbreak in the EFFAT Sectors and measures taken to deal with the consequences of the pandemic**

EFFAT affiliates: SIPTU

#### Governmental measures:

The following summarises the temporary COVID-19 wage subsidy scheme (the Scheme). Not all details are available yet.

1. **The scheme runs for 12 weeks** – from March 26th to June 17th.
2. The Scheme will be available to employers **who keep employees on the payroll throughout the COVID-19 pandemic.**
3. Initially (from March 26th) the Scheme will refund employers up to a maximum of €410 per each qualifying employee. In April, the scheme will move to a **subsidy payment based on 70% of the weekly average take home pay** for each employee up to a **maximum of €410**. This means this payment is capped, on average, at €38,000 for a single person.

<b>Sample Impact (€)</b>				
<b>Gross Annual Wage</b>	38,000	30,000	25,000	20,540 (Minimum Wage)
Weekly Net Income (after tax)	587	488	419	359
Government Subsidy	410	341	293	251

NOTE: the Scheme subsidises 70% of take-home pay up to €410. It is possible that employees will be impacted differently depending on the amount of tax relief and their marriage/partnership status. For instance, a worker on €38,000 making a pension contribution of 5% will have a lower weekly net income (€565 as compared to €587 in the example above). The Government subsidy, therefore, will be lower (€396 as compared to €410 in the example above). Impact of tax reliefs and marriage/partnership status will result in different levels of Government subsidy, even for those on the same gross income.

4. For employees earning between €38,000 and €76,000, the maximum Government subsidy **will be capped at €350** (this will start in April). This will create anomalies. For instance, someone on €38,000 will receive a subsidy of up to €410; someone on €39,000 will receive only €350. This is always a problem with thresholds and caps. For employees above €76,000 there is no Government subsidy.
5. **Employers make this special support payment to their employees through their normal payroll process.** Employers will then be reimbursed for amounts paid to employees and notified to Revenue via the payroll process. The reimbursement will, in general, be made within two working days after receipt of the payroll submission.



6. Employers are **not required to make any contribution** to an employees' wage (i.e. top-up on the wage subsidy). Employers 'should' pay no more than the normal take home pay of the employee (it is not clear from the Revenue information whether this is a condition of the scheme).
7. **Income tax and USC will not be applied to the subsidy payment** through the payroll. Employee PRSI will not apply to the subsidy or any top up payment by the employer. Employers PRSI will not apply to the subsidy and will be reduced from 10.5% to 0.5% on any top up payment.

NOTE: the above seems to imply that income tax and USC may be subject to income tax and USC. There will need to be clarification. In many cases the payment of the Temporary Wage Subsidy and any additional income paid by the employer will result in the refund of Income Tax or USC already paid by the employee.

8. To qualify for the scheme, employers must:
  - Be able to demonstrate a **25% decline in turnover**
  - **Be unable to pay normal wages** and normal outgoings fully
  - **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 has already been made to Revenue in the period from 1 February 2020 to 15 March 2020. Some of the staff may be temporarily not working or some may be on reduced hours and/or reduced pay.

[EFFAT affiliate SIPTU is seeking immediate closure of workplaces and sites where workers are at risk of Covid-19 virus and the operation is not essential service.](#)

More information on the governmental measures in Ireland can be found on the ETUC webpage [here](#).

[Impacts in the EFFAT sectors and specific measures adopted to deal with them:](#)

**Agriculture sector:**

**Food, Drink and Tobacco sector:**

**HRCT sector:**

[Measures adopted in specific companies:](#)

*For more information on the measures adopted in transnational companies please check the main page*