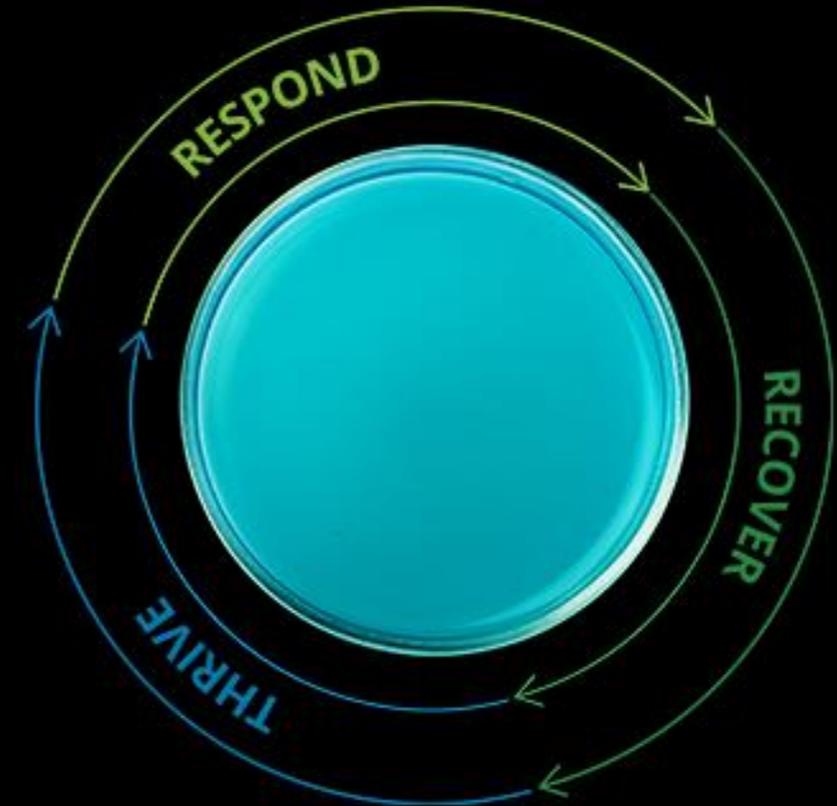


Covid-19: Temporary Wage Subsidy Scheme,
Employment Wage Subsidy Scheme and other
tax employment updates

Webinar

Tuesday, 25 August 2020





Welcome

Colin Forbes

Partner, Tax & Legal

AGENDA

- 12:00pm** Introduction
Colin Forbes, Deloitte
- 12:05pm** TWSS and EWSS
Siobhan Gilbourne, Revenue Commissioners, & Jackie Coughlan, Deloitte
- 12:40pm** Other employment tax matters
Ian Prenty, Deloitte
- 12:45pm** Q&A
Gearóid Murphy, Anne Dullea & Laura Glancy Revenue Commissioners

Temporary Wage Subsidy Scheme (TWSS)

26 March 2020 to 31 August 2020

Overview of Temporary Wage Subsidy Scheme (TWSS)

[Emergency Measures in the Public Interest \(Covid -19\) Act 2020](#)

Financial support to eligible employees where employers significantly affected by the pandemic

Eligibility criteria benchmark Q2 2020, 25% reduction in turnover

Eligible employee on payroll at 29 Feb 2020, retained by employer

List of employer participants published on www.revenue.ie

ARNWP and specified rates subject to additional gross payments from employer

Self assessment principles with self declaration from employer (to 31 July 2020)

Scheme Closing 31 August 2020

TWSS – Moving Forward

- Compliance check programme
- End of year review
- How do employers stop operating the scheme
- Reconciliation



Compliance Check Programme

Letters issuing to employers/agents via MyEnquiries

Verification checks to confirm;

- eligibility,
- subsidy amounts paid (CSV file)
- payslip details



Address PMOD and outstanding tax issues

Employee End of Year Review

Subsidy payment not taxable in 'live' PAYE environment for employee

Liable to Income tax and USC by way of an employee end of year review (2020)

Unused tax credit may cover liability

Reducing future tax credits

Employee may have other tax credits such as health expenses to reduce liability

How do employers stop operating the scheme?



Employer no longer meets the employer eligibility criteria, then stop making J9 payroll submissions.



Ensure the employee PRSI class on all its employees is returned to the correct PRSI class



Employer must retain all records for TWSS operation including subsidy payments to employees. Employers operating TWSS will be included in Reconciliation and publication at the end of the scheme.

Reconciliation

Development and testing phase

Reconciliation for each TWSS employer on each active payslip

Employers report 'subsidy paid' amount (amount paid from employer to employee)

via CSV or ROS payroll reporting

Calculation of 'subsidy paid, subsidy payable, or caseworker resolved'

Reconciliation CSV file, notification through ROS inbox

Further guidance will issue

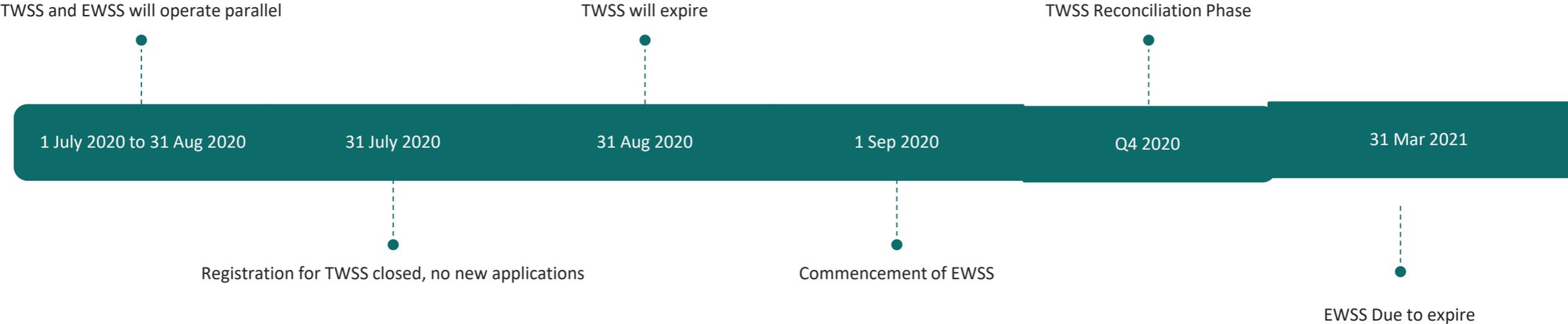
Employers continue to retain records

TWSS refunds via RevPay

Employment Wage Subsidy Scheme (EWSS)

1 September 2020 to 31 March 2021

Transitioning from TWSS to EWSS



Key Features of EWSS

Includes seasonal and new hires from 1 July 2020

Employer Eligibility

30% decline in business 1 July to 31 Dec 2020.
eTax Clearance

Publication of employers to Revenue website Jan and April 2021

Register via eRegistration on ROS

Flat rate subsidy to employer based on employee weekly GROSS pay

Operated through normal payroll and deductions system

Employer PRSI Rate reduced to 0.5%

Safeguards to minimise abuse of the scheme

Employer Eligibility

Employers must demonstrate that:

a) their business has been significantly disrupted by the Covid-19 pandemic

b) at least a 30% decline in either turnover or in orders received from 1 July 2020 to 31 December 2020, compared to same period 2019

If no comparable period in 2019, where business operations commenced:

On or before 1 November 2019,
the 30% decline test determined in 2020 by reference to the same period in 2019, in which the business was in operation

After 1 November 2019,
the employer must be able to show projected turnover or orders for the period 1 July to 31 December 2020 will be at least 30% less than expected turnover or orders would have been without disruption caused by Covid-19.



Employer must remain tax compliant throughout the operation of the EWSS



Review of eligibility each month from August 2020 to February 2021. If circumstances change, or employer no longer meets eligibility, they must de-register on ROS from 1st day of the following month and cease claiming subsidy



If the employer becomes eligible again, they can re-register and operate EWSS from the date of re-registration.

Employee Eligibility

Eligibility extended to seasonal workers and new hires

Childcare Businesses registered in accordance with Childcare Act 1991 included

Non TWSS Employers or non eligible TWSS employees eligible from 1st July

No restrictions under TUPE arrangements

Certain exclusions in legislation
Proprietary Directors and Connected Parties

Registration

Employers must make a self declaration through ROS



eRegistration system to facilitate EWSS live from 18 August



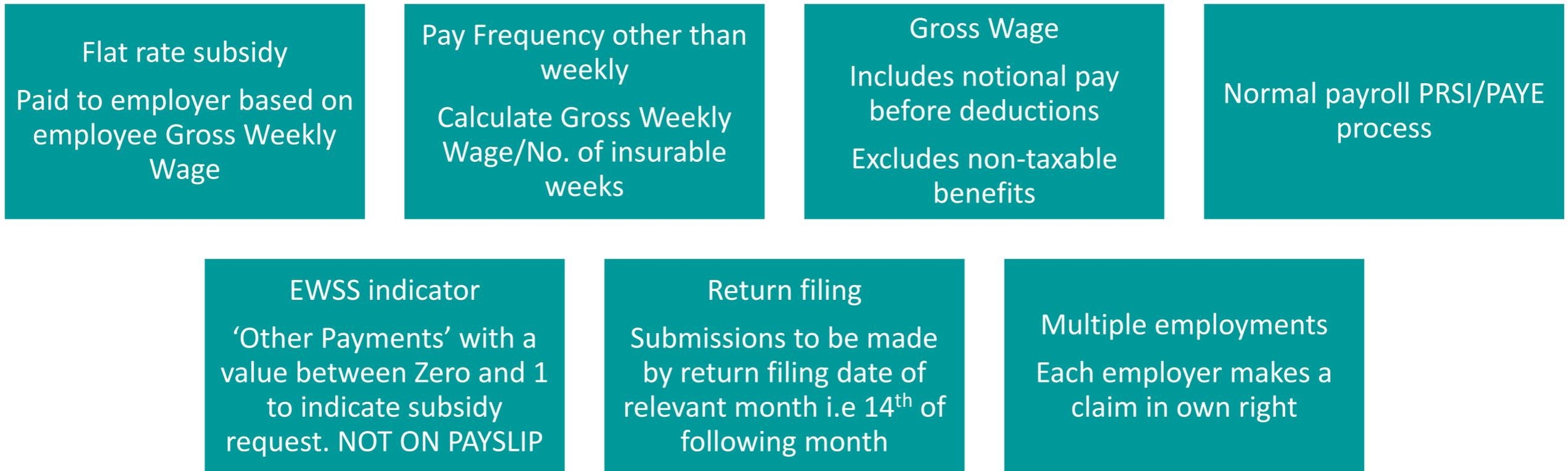
Employer must be PAYE/PRSI registered, tax clear and has linked bank account in order to register for EWSS

Subsidy Rates

Eligible **employers** will receive a per-head subsidy on a flat rate basis which will be determined based on the amount of gross pay that the employer pays to the eligible employee

Where employee weekly Gross Pay	Subsidy Payable
Less than €151.50	€0
From €151.50 to €202.99	€151.50 per week
From €203 to €1,462	€203 per week
More than €1,462	€0

Operating EWSS



Safeguards and Compliance

The Act includes a specific anti-avoidance provision which seeks to counteract

- A. contrived situations whereby any gross pay due to an employee is deferred, suspended, increased or decreased with a view to securing the wage subsidy or
- B. situations where an employee is laid off and removed from the payroll and replaced with two or more employees in relation for whom the subsidy would be available.

If Revenue identify any such cases, the employer will be treated as having never been eligible for the scheme and any subsidy payments received would need to be refunded, together with possible interest and penalties.

Employer should retain all evidence and supporting documentation of their operation of EWSS as compliance checks will be undertaken on a risk or random basis.



Employment Wage Subsidy Scheme

Jackie Coughlan
Director, Tax & Legal

EWSS Eligibility



30% reduction in turnover for period 01/07/2020 – 31/12/2020 compared to equivalent 2019 period



Review eligibility on the last day of each month from August 2020



De-register from scheme from the 1st of the next month if no longer meeting criteria



Valid tax clearance in place at date of registration and throughout period of scheme

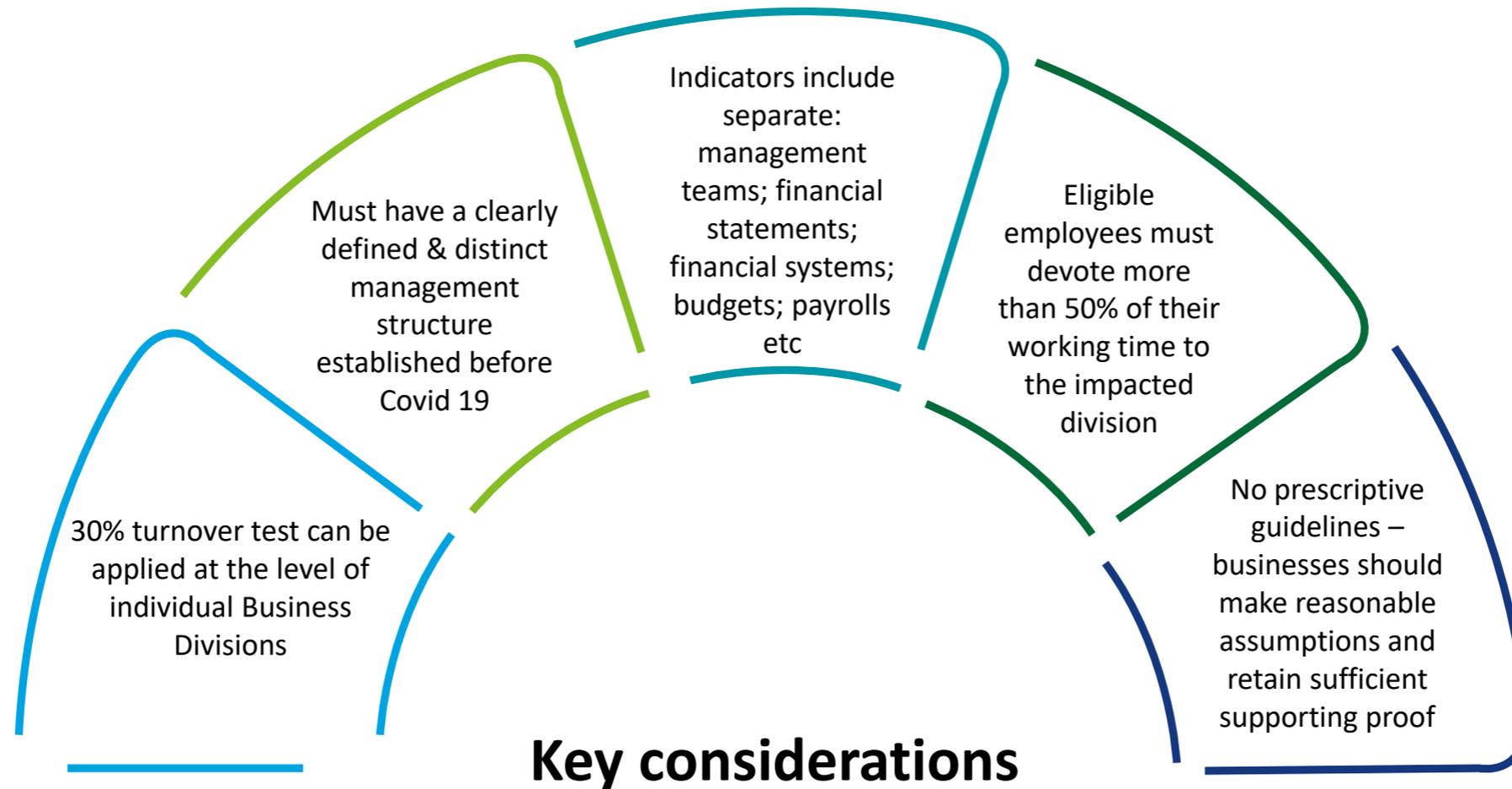


Connected parties must also have tax clearance e.g. directors / shareholders of a company, VAT Group remitter



Tax clearance will be refused if there are outstanding returns or liabilities

Business Divisions



July Stimulus Package



Debt Warehousing

- Debt collection suspended for VAT & PAYE liabilities incurred during Covid restricted period
- 0% interest charged for restricted trading phase & following 12 months
- Thereafter 3% p.a. interest charged on warehoused debt to date of repayment
- Automatically applies to SMEs (turnover < €3m)
- Available on request for businesses in Revenue's Large Corporate and Medium Enterprise Divisions
- Necessary to continue filing returns for all taxes & maintain current tax payments



Non COVID Debt

- Reduced rate of interest of 3% p.a. from 1 August 2020 for debts that cannot be warehoused
- Taxpayers must agree a phased payment arrangement with Revenue before 30 September 2020
- Applies to all taxpayers
- Application online via ROS



Impact on Tax Clearance

- Warehousing of tax debt will not result in a denial of tax clearance
- Phased payment arrangement must be in place for non-Covid tax debts in order to qualify for tax clearance





Employment tax and mobility updates

Ian Prenty

Director, Tax & Legal

Issues arising as a result of remote working



Business visitors to Ireland

Some good news!



New Revenue guidance issued on 24 June



Brings the position back in line with the original guidance from 2007



Employees coming to Ireland from DTA countries with 60 workdays or less in a year – no PAYE obligations

Employees coming to Ireland from DTA countries with more than 60 workdays but less than 183 total days in a year – apply for a dispensation from requirement to withhold PAYE

Relevant DTA conditions must be met



No longer need to consider multi-year tests, or purpose of business visit to Ireland



Employees from non-DTA countries – 30 workday threshold



Siobhan Gilbourne
Revenue
Commissioners



Gearóid Murphy
Revenue
Commissioners



Anne Dullea
Revenue
Commissioners



Laura Glancy
Revenue
Commissioners



Ian Prenty
Director, Tax
Deloitte



Jackie Coughlan
Director, Tax
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Q&A

Please submit questions through the Q&A box

Colin Forbes
Partner, Tax &
Legal



Thank you for attending

