

COVID-19 - CHANGE TO TEMPORARY WAGE SUBSIDY SCHEME

16th April 2020

On Tuesday, 24th March the Taoiseach announced the [Temporary Wage Subsidy Scheme](#). The Scheme is developed to encourage cooperatives and other employers affected by the Emergency to keep staff on the payroll. On 15th April, Minister Pascal Donohoe announced updates to the Temporary Wage Subsidy Scheme:

- For employees with previous average net pay up to **€412 per week** (equivalent to almost €24,400) the subsidy will be **increased from 70% to 85%** of their previous net weekly pay
- For employees with previous average net pay between **€412 and €500 per week** (equivalent to €24,400-€31,000), the subsidy will be **up to €350 per week**
- There are **no changes** in respect of those whose previous average net pay was between **€500 and €586 per week** (equivalent to €31,000-€38,000), who will continue to receive a subsidy of up to 70% of previous net income, up to a maximum of €410 per week
- Employees whose previous average net pay was between **€586 and €960 per week** (equivalent to €38,000-€76,000) remain entitled to assistance capped at €350, however, **this is now on a [tiered basis](#)**
- Employees earning more than **€960 per week** (equivalent to €76,000) **will now be eligible for the scheme, also on a tiered basis as set out in the link above**

(full details on this are available on the [Revenue website](#)).

IS THERE ANY CHANGE TO WHO THE SCHEME APPLIES TO?

There is no change to the criteria for qualifying for the Scheme. It is available to employers from all sectors whose business activities are being adversely impacted by the COVID-19 pandemic. The Scheme is available for employers who retain staff on payroll; some of the staff may be temporarily not working or some may be on reduced hours and/or reduced pay. Provided the employer meets the conditions set out below and subject to levels of employee pay the employer may be eligible for the scheme for some or all employees.

TO QUALIFY FOR THE SCHEME, EMPLOYERS MUST:

- Be experiencing significant negative economic disruption due to COVID-19
- Be able to demonstrate, to the satisfaction of Revenue, a minimum of 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 29th February 2020, and for whom a payroll submission has already been made to Revenue in the period from 1st February 2020 to 15th March 2020
- The names of all employers operating this Scheme will be published on Revenue's website
- Based on the information provided in payroll submissions and adherence to the maximum limits, described above, Revenue will credit employers with the temporary wage subsidy paid to each employee
- Penalties will apply to any abuse of the Subsidy Scheme by self-declaring incorrectly, not providing funds to employees or non-adherence to Revenue, and any other relevant, guidelines

It is critical to note that, as a result of the unprecedented circumstances brought about by the outbreak of COVID-19, **the advice set out is subject to change and is not a "one size fits all" solution.** Therefore, it is advisable to consult with your co-operative's HR advisors and contact Sinead Farrell sfarrell@icos.ie or Darragh Walshe dwalshe@icos.ie if you have any queries relevant to the matters outlined above.

Co-operatives are directed to the [public health advice issued by the HSE](#) for questions arising as a result of COVID-19. It is essential that all co-operatives abide by this advice.