

## EMPLOYMENT LAW - IMPACT

25<sup>th</sup> March 2020

The outbreak of COVID-19 and the subsequent measures taken by the Irish Government to contain its spread present the Irish co-operative sector with several challenges. Chief among these challenges is the management of employees in a number of circumstances that may arise, such as a reduction of trade resulting in the need to lay-off employees or place them on short time arrangements and the loss of high numbers of staff or key staff. Co-operatives should be aware of their options and their responsibilities.

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 below 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](mailto:sfarrell@icos.ie) or Darragh Walshe [dwalshe@icos.ie](mailto:dwalshe@icos.ie) if you have any queries relevant to the matters outlined below.

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.

The government is urging all employers, including co-operatives, to support national public health objectives by continuing to maintain the employee/employer relationship. The Government have introduced a scheme to assist employers to do this. Outlined below are the options available to employers at this time.

### ILLNESS BENEFIT FOR EMPLOYEES WITH CONFIRMED DIAGNOSIS OF COVID-19

When an employee is told to self-isolate by a doctor or has been diagnosed with COVID-19 (Coronavirus) by a doctor, they can apply for an enhanced Illness Benefit payment of €350 per week. To be eligible for this payment, the employee must be:

- Self-isolating on the instruction of a doctor or diagnosed with COVID-19 (Coronavirus); and
- Absent from work and confined to your home or a medical facility.

The personal rate for this payment is €350, as compared with the normal Illness Benefit rate of €203. It will be paid for:

- A maximum of 2 weeks where an employee is self-isolating; or
- Will be paid for the duration of an employee's absence from work if they have been diagnosed with COVID-19 (Coronavirus).

This benefit is also available for individuals that have been asked to self-isolate due to a family member (living with the employee) having the virus.

There is a two-step process to apply for the illness benefit.

#### STEP 1

- The employee is diagnosed with COVID-19 or a doctor advises that they self-isolate.
- The doctor completes a medical certificate on their behalf and sends it directly to the Department of Employment Affairs and Social Protection.
- To receive a payment, the employee will need to provide their doctor with their:
  - Name
  - PPS Number, and
  - date of birth

#### STEP 2

The employee completes an application form for Illness Benefit (Form IB 1).

There are three ways that an application can be made:

- Can call 1890 800 024 or 01 2481398 between 9.00am and 5.00pm Monday to Friday to get an application form by post
- Organise someone to pick up a form at their doctor's surgery or at their [local Intreo Centre](#)
- Can request a form to be posted by sending an email: [forms@welfare.ie](mailto:forms@welfare.ie)
- An online application process will be available by the end of March

Employees that have been medically certified to self-isolate or are diagnosed with COVID-19 **SHOULD NOT ATTEND** their doctor's office or Intreo Centre.

It is important to complete part 5 of the Illness Benefit form as this contains how the employee would like to be paid.

The application form is then sent by Freepost to: Social Welfare Services, PO Box 1650, Department of Employment Affairs and Social Protection, Dublin 1

Once both the application form and the medical certificate are received, payment will be processed. The employee should continue to liaise with their doctor in relation to their diagnosis and the length of time they are medically certified unfit to work because of COVID-19.

#### TEMPORARY WAGE SUBSIDY SCHEME (replaces COVID-19 [Refund Scheme](#))

On Tuesday, 24<sup>th</sup> March 2020, the Taoiseach announced the introduction of a new [Temporary Wage Subsidy Scheme](#). The scheme (set out in further detail in Appendix I) is developed to encourage cooperatives and other employers affected by the Emergency to keep staff on the payroll.

- The government will pay 70% of the salary up to a cap of €410 per week net, which equates to the after-tax income of an employee earning €38,000
- Employees earning between €38,000 and €76,000 will be entitled to assistance capped at €350

The scheme will run for 12 weeks from **26 March 2020**. Draft legislation to be published shortly.

Employers are encouraged to facilitate employees by operating the scheme, by retaining employees on their books and by making best efforts to maintain a significant, or 100% income, for the period of the scheme.

## KEY FEATURES OF THE SCHEME

- Replaces the previous COVID-19 Refund Scheme.
- Initially, and from Thursday (26 March 2020), the subsidy scheme will refund employers up to a maximum of €410 per each qualifying employee.
- However, employers must pay **no more than the normal take home pay** of the employee.
- The subsidy scheme applies to employers who top up employees' wages and those that are not in a position to do so.
- 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.
- 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\*.
- 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 which will be reduced from 10.5% to 0.5% on the top up payment.

\* (details on this will be made available by Revenue in due course).

## WHO DOES THE SCHEME APPLY TO?

The Scheme 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 29<sup>th</sup> February 2020, and for whom a payroll submission has already been made to Revenue in the period from 1<sup>st</sup> February 2020 to 15<sup>th</sup> 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

## OTHER OPTIONS FOR EMPLOYERS

Other ways to support the employer and employee relationship may be to consider a range of flexible working arrangements with their employees such as:

- Compassionate leave
- Allowing employees work remotely
- Allowing employees to 'work-up' any time taken at a future date
- Allowing employees to avail of annual leave entitlements
- Re-arranging parental leave

Please note there are [income supports available from the Government](#) for your co-operative's employees during a COVID-19 related absence or temporary lay-off from work.

## FLEXIBLE WORKING ARRANGEMENTS

Many employers can, and do, agree **compassionate leave** arrangements with staff who need to take short periods of time off to care for another person.

Employers may enable employees to **work remotely** from home, to alter shift-patterns, to **work-up time** taken, to rearrange parental leave or to bring forward **annual leave** entitlements from future work-periods.

Where it is not possible to make appropriate compassionate leave arrangements, it is important to note that employees can call on some statutory entitlements.

An employee is entitled to paid leave, known as '**force majeure leave**' to provide urgent care for an immediate family relative such as a child, spouse, brother, sister, parent or grandparent. It is also available in the case of a partner who is living with the employee. Force majeure is limited to a total of:

- Three days in a 12-month period, or
- Five days in a 36-month period.

In the exceptional circumstances of COVID-19 it is expected that employers will, if possible, facilitate people by allowing them to take the full 5 days entitlement in one block, as required.

Parents are entitled, with 6 weeks' notice, to take up to 22 weeks unpaid **parental leave** to care for each child up to 12 years of age (16 years of age in the case of a child with a disability). Parents are also entitled, with 6 weeks' notice, to take **parents leave** of 2 weeks for each child under 1 year of age born on or after 1 November 2019. Parents taking parents leave are eligible to apply for [Parent's Benefit](#) (see appendix II) from the Department of Employment Affairs and Social Protection. Applications can be made online at [www.mywelfare.ie](http://www.mywelfare.ie) or by post.

## PARENTAL LEAVE

- Notice: 6 weeks prior to start of leave
- Duration of leave: 22 weeks per child up to 12 years of age (16 in case of disability)
- Statutory minimum pay by employer: €0
- Government benefit: none

## PARENT'S LEAVE

- Notice: 6 weeks prior to start of leave
- Duration of leave: 2 weeks per child under 1 year of age born after 1 November 2019.
- Statutory minimum pay by employer: €0
- Government benefit: €245 Parents' Benefit

Employers are free to waive notice periods for parental/parents leave or to agree to provide paid leave as an alternative to parental/parents leave. Employers can also agree alternative leave/absence arrangements.

## SHORT TIME & LAY-OFF

"Lay-Off" and "Short Time" are governed by the Redundancy Payments Acts 1967-2014 (appendix III) see also Redundancy section below:

- Lay-Off – the co-operative is temporarily unable to provide work for its employees
- Short Time – the co-operative cuts the wages or hours of its employees to less than 50%

When instigating Lay-Off and/or Short Time arrangements the co-operative:

- Is obliged to provide notice to its employee, however no time is specified, and
- Must have a reasonable belief it will only be a temporary arrangement.

Please note that when selecting employees for Lay-Off or Short Time the co-operative should apply the same standard of selection criteria as for redundancy and must not discriminate against employees on any of the following nine (9) grounds: gender, civil status, family status, age, disability, religious belief, race, sexual orientation or membership of the Traveller community.

The employer **cannot**, at common law, put an employee on lay-off without pay or place him on short time unless there is either:

- A clause in the contract providing for lay-off, or
- An implied right to do so, deriving from custom and practice within the industry.

Ideally employees' contracts of employment would include a clause which reserves the right for the employer to lay the employee off or reduce the employee's working hours in circumstances beyond the employer's control. However, in the current circumstances, employers may have little option but to place employees on lay-off, shorter working hours, or implement reductions in pay. Written notice should be given and a [Form RP9](#) can be used for this purpose.

Where an employee has been laid off, they are entitled to accrue public holidays arising during the first 13 weeks of layoff. They do not accrue any annual leave during this period. Where an employee is put on short time or laid-off work for 4 consecutive weeks or a broken series of 6 weeks in any 13-week period, the employee is entitled to claim a redundancy payment.

Where an employee is laid off they will have to apply for the new COVID-19 Pandemic Unemployment Payment (or Jobseeker's payment (appendix IV) if they have any dependents). The payment will be paid at a rate of €350 per week.

[Details on how employees apply can be found via this link](#)

## COVID 19 - PANDEMIC UNEMPLOYMENT PAYMENT

A new COVID-19 Pandemic Unemployment Payment has been introduced. This new payment is available to all employees and the self-employed who have lost employment due to a downturn in economic activity caused by the COVID-19 pandemic.

The payment has a simple one-page application form and will be paid for the duration of the pandemic emergency at a flat rate payment of €350 per week. It is designed to quickly deliver a social welfare payment to the unemployed and provide income security during the pandemic.

Payment is made by electronic transfer only (into the bank account) and only into accounts held in Irish financial institutions. It will be paid into the employee's bank accounts every Tuesday once the application is processed.

The COVID-19 Payment Unemployment Payment will replace the employee's employment income and will be regarded by the Department as equivalent to employment income.

If the employee has one adult and at least one child dependant they should claim a [Jobseeker's Payment](#) instead of the COVID-19 Pandemic Payment. As the employee can claim an additional allowance for their adult dependant and child dependants.

The quickest way to apply for the income support from the department is through their online channel [mywelfare.ie](http://mywelfare.ie).

### HOW TO QUALIFY – COVID-19 PANDEMIC UNEMPLOYMENT PAYMENT

Both employees and self-employed people can apply for the new COVID-19 Pandemic Unemployment Payment.

Employee can apply for the payment if they:

- Are aged between 18 and 66 years
- Live in the Republic of Ireland
- Have lost your job due to the COVID-19 pandemic
- Have ceased trading if self-employed due to the pandemic
- Are a non-EU/EEA employee who has lost employment due to the COVID-19
- Are a student (non- EU/EEA student) who has lost employment due to the COVID-19
- Part-time employees

Application form and instructions [link](#):

If an employee has been temporarily placed on a shorter working week, they may qualify for [Short Time Work Support](#).

### SHORT TIME

Short-time Work Support is a form of [Jobseeker's Benefit](#) and is an income support payment if the employee has been temporarily placed on a shorter working week. The payment is made in respect of their regular salary for the days that they are no longer working. For example, if their working week has been reduced from a 5-day work pattern to a 3-day work pattern, they can receive support for the other 2 days.

Short-time Work Support is paid for a maximum of 234 days. Their entitlement will depend on the number of social insurance contributions they have. To qualify for Short-time Work Support, the employee must satisfy the two main [PRSI Conditions](#) for Jobseeker's Benefit. Employees must work 3 days per week or less to qualify, having previously been employed on a full time basis.

To qualify for Short-time Work Support, the employee must:

- Be temporarily working a standard reduced weekly work pattern;
- Be working 3 days or less per week having previously worked full-time;
- Be under 66 years of age;
- Be capable of work and be available for full-time work; and
- Have enough paid or credited social insurance (PRSI) contributions at class A, H, S, P

The rate of payment will depend on the average weekly earnings in the governing contribution year and the change in their work pattern. For example, if they are placed on a 3-day work pattern having previously worked 5 days, they may be entitled to up €81.20 for the 2 days they are no longer working. This represents two fifths of the maximum weekly rate of Jobseekers Benefit of €203.

They may also get an increased rate of payment for a qualified adult and qualified children. Short-time Work Support is not taxable.

The quickest way to apply for Jobseeker's Benefit is through [MyWelfare.ie](#). The employee must have a verified [MyGovID](#) to use this service. If the employee completes their form on-line, they can then send on the UP14 form completed by their employer.

Employees can also apply for Short-time Work Support at their [Intreo Centre or Social Welfare Branch Office](#)

The employee should apply as soon as their days have been reduced otherwise, they could lose some payment.

To apply, the employee will need the following documents along with the application form:

- Identification – their public service card, passport or driving licence
- Proof of their address – a utility bill or letter from a government department

The employer must also complete the form.

The employee must inform the social welfare of the days of employment and unemployment for each week they are on a reduced working pattern. Further information can be found in the Short Term Working [Booklet](#)

## **REDUCED HOURS**

There is no legislation governing reduced working hours and the employer must have employee consent to any such reduction in working hours.

The employer may ask the employee to take a pay cut or to work fewer hours if there has been a downturn in business or there is less work for the employee to do. The employee is entitled to details of the reduced business activity, ask who else has been asked to reduce their hours or work or pay and

what were the criteria for selection. This request from the employer is a change in the contract of employment. Any change of contract must be agreed by both the employee and the employer.

The employee will need to consider a number of issues before deciding whether or not to agree to working reduced hours or to a reduction in pay, e.g. implications of reduced pay (rent, mortgage, tax etc), schedule of working hours this may actually suit the employee, the implications of not accepting the reduced pay or hours, it may lead to employer making the employee redundant.

Any proposed change in contract must be made in writing by the employer and the employee must respond in writing their acceptance etc of the changes.

If the employee does not agree to the reduction in pay or hours, then the employee can avail of a number of options. The employee may make a complaint to the [Workplace Relations Commission](#) under the Industrial Relations Acts 1969-2015. Under this legislation, if the employer objects to a hearing by a [Workplace Relations Commission adjudicator](#), the employee would have to refer the matter to the [Labour Court](#).

If the employee states they wish to continue working as before the employer may decide to make the employee redundant. If dismissed in this way, the employee may qualify to bring a [claim for unfair dismissal](#). Unless the employer can prove there was a genuine redundancy situation and that [fair procedures were followed](#), this dismissal may be found to be unfair.

If the employer insists on reducing the working hours or pay then the employee may also consider whether they have no choice but to resign and may if they elect to claim [constructive dismissal](#) because the employer has breached the terms of the contract. (Employee should seek legal advice as proving constructive dismissal can often be difficult).

If the employee believes that a reduction in their pay or working hours is a breach of their employment contract they could seek redress through the [civil courts](#).

### **ALTERNATIVE WORK**

The employer may offer the employee alternative work under a new contract of employment instead of reducing the employees working hours (this may affect the employees [entitlement to a redundancy payment](#)).

If the employer makes the employee a reasonable offer of alternative work, and the employee refuses it, the employee may lose their entitlement to a redundancy payment. Generally speaking, alternatives which involve a loss of status or worsening of the terms and conditions of their employment would not be considered reasonable.

The employee may take up an alternative on a trial basis for up to 4 weeks. Where the alternative involves a reduction of 50% or more in hours or pay, working under the new arrangements for up to 52 weeks will not count as an acceptance.

If the employee accepts an offer in writing from their employer for a new and different contract which will take effect within 4 weeks of the ending of the previous contract, they will not be entitled to claim redundancy. Equally, if they refuse such an offer unreasonably, they will lose their right to a redundancy payment.

## **REDUNDANCY (REDUNDANCY PAYMENTS ACTS 1967-2014)**

Redundancy occurs when the employee loses their job due to the closure of a business or a reduction of the workforce.

A Lay-Off situation arises where the employer is temporarily unable to provide work, and provides notification to the employee before the work finishes.

A Short-Time situation arises where, due to a reduction in the amount of work to be done, the weekly pay is less than half of the normal weekly pay or the hours worked are reduced to less than half the normal weekly working hours. This must be a temporary situation and the employer must notify the employee before the reduction starts.

The employer should inform the employee of the reasons for the Lay-Off or Short-Time working and keep employees informed of the situation during this time. In either case it must be a temporary situation and the employer must notify the employee to this effect before they start. This can be done using Part A of form RP9. Failure to notify the employee of the Lay-Off or Short-Time working may expose the employer to a claim for statutory redundancy payment made by the employee.

If an employee has been Laid-Off or on Short Time:

- For 4 or more consecutive weeks, or
- For 6 weeks (not more than 3 consecutive) in a 13-week period

the employee can serve a notice on the co-operative to claim redundancy (if the employee serves the notice it is considered that the employee has voluntarily left their job and is not entitled to [notice or pay in lieu of notice from the co-operative](#)). The co-operative, however, may serve a counter-notice denying the redundancy if the co-operative can give the employee 13 weeks' employment without Lay-Off or Short Time, which shall be available within 4 weeks of the date of the employee's notice. However, if the employee has been Laid Off and they are subsequently made redundant by the employer they do not lose their notice entitlements. (Note: these notice periods may change as there are currently discussions on going with the department in relation to the notice periods under the current circumstances).

### **DURATION OF LAY-OFF OR SHORT-TIME**

If it becomes apparent that it is no longer temporary then the situation is now a redundancy rather than a Lay-Off or Short-Time working. It is the employer who initially decides whether there is a redundancy situation. If there is a dispute about this it should be referred to the Workplace Relations Commission.

### **OTHER – WORKING FROM HOME – E-WORKING AND TAX**

Revenue has updated their [guidance](#) in respect of remote employees and tax. An employee is entitled to claim for expenses incurred **wholly, exclusively and necessarily** in the performance of their duties (i.e. light and heat - pro rata). An employer is permitted to pay a tax-free payment of up to €3.20 per working day to the employee where qualifying conditions are met. Where the employer does not pay €3.20 per day to the employee, the employee is not entitled to claim a tax reduction for a round sum of €3.20 per day.

## CONCLUSION

ICOS is aware that this will lead to some difficult conversations between the co-operative and its employees. Therefore, it is essential the co-operative is able to give clear information to its employees on the [supports available to them](#) (appendix IV).

It is **vital** that employers engage with their employees and keep them regularly informed in relation to their employment status. Under the current circumstances employers should be checking in on employees in particular those that are working from home to ensure that they are coping with the change and that they don't feel isolated. Before any decisions are finalised as to which options the Society will take with regard to its work force, the employer should look at the employees **contract of employment** and any **employment handbook or policies** that are in place to ensure that they are will not breach any of the clauses contacted there in.

## APPENDIX I

### TEMPORARY COVID-19 WAGE SUBSIDY SCHEME

On the 24.03.20 the Government announced new measures to provide financial support to Irish employees affected by the COVID-19 crisis. As part of these measures, Revenue will operate a Temporary Wage Subsidy Scheme. The scheme, enables employees, whose employers are affected by the pandemic, to receive significant supports directly from their employer. The scheme will run for 12 weeks from **26 March 2020**. Draft legislation governing the scheme will be published shortly.

The operation of the Temporary Wage Subsidy Scheme will be available to employers who keep employees on the payroll throughout the COVID-19 pandemic, meaning employers can retain links with employees for when business picks up after the crisis. Additionally, the operation of the scheme will reduce the burden on the Department of Employment Affairs and Social Protection (DEASP) which is dealing with the other COVID-19 related payments.

Employers are encouraged to facilitate employees by operating the scheme, by retaining employees on their books and by making best efforts to maintain a significant, or 100% income, for the period of the scheme.

#### KEY FEATURES OF THE SCHEME

- Replaces the previous COVID-19 Refund Scheme.
- Initially, and from this Thursday (26 March 2020), the subsidy scheme will refund employers up to a maximum of €410 per each qualifying employee.
- However, employers should pay no more than the normal take home pay of the employee.
- The subsidy scheme applies to employers who top up employees' wages and those that aren't in a position to do so.
- 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.
- 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\*.
- 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 will be reduced from 10.5% to 0.5% on the top up payment.

\* (details on this will be made available by Revenue in due course).

#### WHO DOES THE SCHEME APPLY TO?

The Scheme is available to employers from all sectors (excluding the public service and non-commercial semi-state sector) 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 the levels of pay to the employees the employer may be eligible for the scheme for some or all of the 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 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.

The names of all employers operating this scheme will be published on Revenue's website in due course, after the scheme has expired.

**REGISTERING FOR THE TEMPORARY WAGE SUBSIDY SCHEME**

Any employer, already registered with Revenue for the purposes of the Employer COVID-19 Refund Scheme, is not required to take any further action. The employer may make payroll submissions from 26 March 2020 under the subsidy scheme arrangements on the same basis as they were doing for the Employer Refund Scheme, and €410 will be refunded in respect of each eligible employee per week.

Employers, or their agents, wishing to register for the scheme can apply to Revenue by carrying out the following steps:

- 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 refund bank account that the refund is to be made to.

**OPERATING THE SCHEME FROM THURSDAY 26 MARCH 2020**

The employer runs the payroll as normal, entering the following details for each relevant employee under the Scheme:

- PRSI Class set to J9.
- A non-taxable amount equal to the employee's net take home pay or €410 whichever is the lesser.
- If an employer is not making any payment to the employee, they should include a pay amount of €0.01 in Gross Pay.
- If an employer is making additional wage payments to affected employees, they should include this amount in the Gross Pay.

- It is important that employers do not include the Temporary Wage Subsidy payment in Gross Pay.
- The payroll submission must include pay frequency and period number.

Income tax, USC, LPT, if applicable, and PRSI are not deducted from the Temporary Wage Subsidy.

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. Any Income Tax and USC refunds that arise as a result of the application of tax credits and rate bands can be repaid by the employer and Revenue will also refund this amount to the employer.

Employers must not operate this scheme for any employee who is making a claim for duplicate support (e.g. Pandemic Unemployment Payment) from the DEASP.

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.

#### **GUIDANCE/INFORMATION**

For general issues relating to the scheme, employers should contact Revenue's National Employer Helpdesk via the [myEnquiries](#) system, providing details of the query and a direct dial contact number.

Employers should make sure to select '**Employer's PAYE**' and then '**Employer's PAYE General Enquiry**' when submitting the query through myEnquiries.

## APPENDIX II

### PARENT'S BENEFIT

Parent's Benefit is a new scheme payable to parents who take parent's leave from their work within their child's first year. The payment is €245 a week, for two weeks. This is in addition to existing [Maternity Benefit](#) and [Paternity Benefit](#).

Parent's Benefit is a payment for employed and self-employed people who:

- Are on parent's leave from work
- Have paid sufficient pay related social insurance (PRSI) contributions

The PRSI classes that count for Parent's Benefit are A, B, C, D, E, H and S (self-employed)

It is available for any child born or adopted on or after 1 November 2019.

Parent's Benefit can be paid for either two consecutive weeks or two separate weeks within the first year of your child's life.

The employee can receive Parent's Benefit at any time within the first year following the birth or adoption placement.

To qualify for Parent's Benefit, the employee must have paid sufficient pay social insurance (PRSI) contributions.

If the employee has received Maternity Benefit, Adoptive Benefit, or Paternity Benefit for their child, they will automatically satisfy the PRSI contributions requirements for their Parent's Benefit.

An **employee**, must have:

- At least 39 weeks PRSI contributions paid in the 12 month periods before the first day of their Parent's Benefit **AND**
- At least 39 weeks PRSI contributions paid since first starting work and at least 39 weeks PRSI paid or credited in the relevant tax year or in the tax year immediately following the relevant tax year. For example, if they are going on Parent's Leave in 2019, the relevant tax year is 2017 and the year following that is 2018 **OR**
- At least 26 weeks PRSI paid in the relevant tax year and at least 26 weeks PRSI paid in the tax year immediately before the relevant tax year. For example, if you are going on Parent's Leave in 2019, the relevant tax year is 2017 and the year before that is 2016

If they do not meet these PRSI conditions and they were in insurable self-employment before starting insurable employment as an employee, they may use their PRSI contributions (Class S) from that self-employment to qualify for Parent's Benefit

The employee is awarded credited contributions, or credits, automatically when they are getting Parent's Benefit. Credits are awarded at the same rate as their last paid contribution. These credits help protect their future entitlement to social welfare benefits and pensions. Further information on credited contribution or credits is available [here](#).

If the employee was previously in insurable employment in a country covered by EU Regulations, they may combine their insurance record in that country with their Irish PRSI contributions to help the employee qualify for Parent's Benefit in Ireland. The employee must be currently in insurable employment in Ireland and have paid their most recent PRSI contribution in Ireland. More information is available on combining social insurance contributions from abroad [here](#).

#### **RATE OF PAYMENT**

Parent's Benefit is €245 a week for two weeks.

It can be paid for either two consecutive weeks or two separate weeks within the first year of the birth or adoption placement.

The employer may continue to pay the employee in full when they are on parent's leave. The employer may require the employee to have their Parent's Benefit paid to them, and the employee can choose to do this.

If the employee is already on certain social welfare payments, they may get half-rate Parent's Benefit.

#### **TAXES**

If the employee pays tax, you will have to pay tax on Parent's Benefit. The employee will not have to pay the Universal Social Charge (USC) or PRSI.

#### **OPERATIONAL GUIDELINES**

Operational guidelines describe the processes and procedures that staff in the department follow when carrying out their work. [Operational Guidelines: Parent's Benefit](#).

## APPENDIX III

### THE REDUNDANCY PAYMENTS [ACT 1967](#) STATES

#### LAY-OFF AND SHORT-TIME

**11.**—(1) Where F29[...] an employee's employment ceases by reason of his employer's being unable to provide the work for which the employee was employed to do, and—

(a) it is reasonable in the circumstances for that employer to believe that the cessation of employment will not be permanent, and

(b) the employer gives notice to that effect to the employee prior to the cessation, that cessation of employment shall be regarded for the purposes of this Act as lay-off.

F30[(2) Where—

(a) for any week an employee's remuneration is less than one-half of his normal weekly remuneration or his hours of work are reduced to less than one-half of his normal weekly hours,

(b) the reduction in remuneration or hours of work is caused by a diminution either in the work provided for the employee by his employer or in other work of a kind which under his contract the employee is employed to do.

(c) it is reasonable in the circumstances for the employer to believe that the diminution in work will not be permanent and he gives notice to that effect to the employee prior to the reduction in remuneration or hours of work,  
the employee shall, for the purposes of this Part, be taken to be kept on short-time for that week.]

#### AMENDMENTS:

##### F29

Deleted (1.09.1971) by *Redundancy Payments Act 1971* (20/1971), s. 19 and sch., S.I. No. 230 of 1971.

##### F30

Substituted (6.04.1979) by *Redundancy Payments Act 1979* (7/1979), s. 10, S.I. No. 95 of 1979.

## APPENDIX IV

### JOBSEEKER'S BENEFIT

Jobseeker's Benefit is a payment for people between 18 and 66 who become fully or partly unemployed and have paid enough pay-related social insurance (PRSI) contributions.

**If the employee is temporarily placed on a shorter working week, for example, the employees working week has been reduced from a 5 day work pattern to a 3 day work pattern, they can receive support under the Short Time Work Support under the Jobseeker's benefit scheme for the other 2 days.**

Jobseeker's Benefit is paid for nine months or six months depending on the number of social insurance contributions the employee has.

#### **TO QUALIFY FOR JOBSEEKER'S BENEFIT, THE EMPLOYEE MUST:**

- be fully or partly unemployed
- be under 66 years of age
- be capable of work and be available for full-time work
- be genuinely seeking work
- be unemployed for at least 4 days out of every 7
- have enough paid or credited social insurance (PRSI) contributions at class A, H, P

The employee can work for up to 3 days a week and still get Jobseeker's Benefit for the other days as long as the employee is available for full-time work.

#### **SOCIAL INSURANCE (PRSI) CONTRIBUTIONS**

To qualify for Jobseeker's Benefit, the employee must satisfy two main PRSI contribution conditions.

##### **CONDITION 1**

They must have paid at least 104 PRSI insurable employment contributions at Class A, H, P,

**or**

They must have paid at least 156 PRSI self-employment contributions at Class S.

##### **CONDITION 2**

They must have either:

39 PRSI contributions paid from employment in the governing contribution year. At least 13 of these contributions must be paid from employment in the governing contribution year, the two years before this, the last year or the current tax year.

The governing contribution year is the second last complete tax year before the year in which the claim is made. For example, for claims made in 2019, the governing contribution year is 2017.

**or**

26 PRSI contributions paid in the governing contribution year and 26 paid in the year immediately before this.

The Rates of payment will depend on the individuals average weekly earnings in the governing contribution year.

<b>Jobseeker's Benefit Rates</b>	<b>Rate from January 2020</b>
Full weekly payment	€203
Extra payment for <b>qualified adult</b>	€134.70
Extra payment for <b>qualified child under 12</b>	€36.00 (full-rate), €18.00 (half-rate)
Extra payment for <b>qualified child 12 and over</b>	€40.00 (full rate), €20.00 (half rate)

If the individual was working part-time during the governing contribution year and their average earnings were less than €300 a week, they will not qualify for the full rate of payment.

Please see the tables below for details on the reduced rates of payment.

<b>Average weekly earnings</b>	<b>Personal rate of payment</b>
Less than €150	€91.10
€150 or above but less than €220	€131
€220 or above but less than €300	€159
€300 or more	€203

The individual may get an increased rate of payment for a qualified adult and qualified children.

#### **JOBSEKERS OVER 62**

If the individual is over the age of 62 and receiving a jobseeker's payment, they do not have to:

- meet with a case officer in your local [Intreo Centre or Social Welfare Branch Office](#)
- sign on monthly

In most cases, the payment paid directly into their bank account.

#### **JOBSEKERS OVER 65**

If the individual is 65 or turn 65 while receiving Jobseeker's Benefit they may continue to receive their payment up to their 66th birthday. This applies even if their claim is due to end before that date.

#### **OPERATIONAL GUIDELINES**

Operational guidelines describe the processes and procedures that staff in the department follow when carrying out their work.

[Operational Guidelines: Jobseeker's Benefit](#)

[Operational Guidelines: Payment-related issues](#)

## APPENDIX V

### INCOME SUPPORTS

A number of income supports are available from the Department of Employment Affairs and Social Protection for your employees during a COVID-19 (Coronavirus) related absence or temporary lay-off from work:

- employees and the self-employed who have [lost employment due to a downturn in economic activity caused by the COVID-19 pandemic](#)
- employees who are [not diagnosed with COVID-19 but who self-isolate](#)
- employees whose employers [do not supplement/top-up the State Illness Benefit payment \(COVID-19\)](#)
- employees who are [requested to stay at home by their employer \(COVID-19\)](#)
- employees who are [laid off temporarily or put on to short time working \(COVID-19\)](#)
- employees who [need to take time off work to care for a person affected by COVID-19 \(Coronavirus\)](#)