



YOUR BUSINESS IS OUR BUSINESS

Topics

TEMPORARY WAGES SUBSIDY SCHEME (TWSS)

EMPLOYEE TAX IMPLICATIONS

EMPLOYMENT WAGE SUBSIDY SCHEME



TEMPORARY WAGES SUBSIDY SCHEME (TWSS)

CLOSING OFF THE SCHEME

SCHEME RAN FROM 26/03/2020 TO 31/08/2020

No action required by employers to close off

TEMPORARY WAGE SUBSIDY SCHEME (TWSS)

COMPLIANCE CHECKS

Revenue generate compliance checks via ROS My Enquiries

5 Working days to respond

PRIMARY ELIGIBILITY CRITERIA

- Reduction in turnover of 25% or more - Q2 Versus Q1
- Other reasonable basis

TEMPORARY WAGE SUBSIDY SCHEME (TWSS)

COMPLIANCE CHECKS

Information Request

1. **Outline of business and principal activities**
2. **Summary of impact on turnover**
3. **Date closed and reopened, employees retained or not**
4. **Who runs payroll**
5. **Confirmation payslips sent to employees with Covid displayed**
6. **Lists sample employees and requests copy payslips**
7. **Requests Gross to Nett reports to verify against payslips**
8. **Bank Account screen shot of EFT to verify against payroll**
9. **Computations of TWSS calculation if not using ROS**

TEMPORARY WAGE SUBSIDY SCHEME (TWSS)

REVENUE RECONCILIATION OF SUBSIDY FUNDS

- **March 2020 overpayments by Revenue - €410 per qualifying employee regardless of subsidy allowance**
- **Only from June did Revenue provide TWSS Values**
- **Revenue will issue a Reconciliation in due course**
- **Some payroll packages have upgraded this week for the EWSS and it includes a reconciliation tool with the resulting report for upload to Revenue for the TWSS**
- **Repayments of TWSS to Revenue must be paid via ROS**
 - Payments & Refunds**
 - TWSS (Employer)**

INCOME TAX

PERSONAL TAX LIABILITY RE TWSS INCOME

- **Covid Subsidy in the hands of the employee is tax free initially**
- **Any social welfare payment is taxable and USCable**
- **Individuals who received PUP (Pandemic Unemployment Payment) will in most cases not have a tax liability as payment level was low and not processed on payroll so no top up**
- **Employees who worked and received the TWSS via payroll system will most likely receive a tax liability as most received a top up in wages**

INCOME TAX

PERSONAL TAX LIABILITY RE TWSS INCOME

- Employers who availed of the services of employees and gained by the TWSS subsidy have an ethical dilemma.
- Employer not bound to pay employee TWSS tax liability
- Employee will receive a Income Statement (P21) with the tax liability noted at the end of 2020
- Options to pay
 - Write the cheque or transfer via My Account
 - Engage with Revenue and agree reduction in Tax Credits over 1- 4 years
 - Do not have to engage and pay anything until 2022

EMPLOYMENT WAGE SUBSIDY SCHEME (EWSS)

QUALIFYING CRITERIA

- **Business will experience at 30% reduction in turnover / orders between 1/07/2020 and 31/12/2020**
 - Compared to turnover / orders in same period 2019
 - If incorporated in 2019 – then sales up to 31/12/2019
 - If incorporated after Nov. 2019 – then projected turnover
- **Reduction in turnover is as a result of Covid-19**
- **Review of eligibility must be undertaken on last day of every month and deregister if sales are restored to less than 30% reduction**
- **Tax Clearance for company and connected parties required**

EMPLOYMENT WAGE SUBSIDY SCHEME (EWSS)

SUBSIDY SUPPORT

Employees Gross Weekly Wage	Subsidy Payable
Less than €151.50	Zero
From €151.5 to €202.99	€151.50
More than €203, less than €1,462	€203.00
More than €1,462	Zero



EMPLOYMENT WAGE SUBSIDY SCHEME (EWSS)

FINER POINTS

PRSI

0.5% Employer contribution

Sweepback Initiative

**No correction payroll submission should be submitted
Employers required to submit a CSV file with claim for July and August**

Payroll

**Now PRSI code moves back to A1 for all employees
Normal pay is made
You may need to catch up on BIK, Commissions, Bonus etc.
which was not paid during TWSS**



EMPLOYMENT WAGE SUBSIDY SCHEME (EWSS)

FINER POINTS

Temporary Employee working with your client

Employees are eligible whether part-time, full-time, on or off site if earning within the accepted bands

Split Dates

If any payroll moves across the dates of TWSS and EWSS – the subsidy is calculated on the actual pay date

Proprietary Directors

Must earn within the bands

Is already on the payroll of the eligible employer

Has been paid wages on payroll between 1st July 2019 and 30th June 2020

Can only be paid one EWSS regardless of how many directorships

EMPLOYMENT WAGE SUBSIDY SCHEME (EWSS)

FINER POINTS

Compliance

Revenue will review historical payroll submissions to ensure no manipulation of employee earnings is undertaken to facilitate the EWSS claim

Other Items of interest

- Employer may perform Covid-19 testing or arrange same – no BIK impact
- Equipment provided to work from home – no BIK impact
- Company Car
 - Employer can take back car – No BIK
 - Employer can prohibit use – No BIK
 - Employer allows private use – January mileage 2020 is used to calculate BIK
 - Employee continues working – usual BIK



Thank You

QUESTIONS?

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