

## EMPLOYMENT

## COVID-19: Employer Alert

5 May 2020

Revenue has confirmed that Phase 2, the Operational Phase of the Temporary Wage Subsidy Scheme commenced on 4 May. Guidance on the Operational phase of the COVID-19: Temporary Wage Subsidy Scheme is available [here](#).

We have set out some of the important points addressed in the new guidance below:

1. During the Operational Phase of the scheme, Revenue will calculate the Average Revenue Net Weekly Pay (ARNWP) and the Maximum Wage Subsidy (MWWWS) for each employee and provide these to employers for use in their payroll process. The information will be provided for download in a format called a CSV file. Revenue will refund the applicable wage subsidy having regard to the maximum wage subsidy and the level of gross pay reported by the employer for each eligible employee. At a later date, Revenue will reconcile the amount of the employer wage subsidy refunds from 26 March with the maximum wage subsidy applicable to each employee. This may involve recouping refunded amounts from employers.
2. The guidance states that the purpose of the Employer CSV file is to provide employers with sufficient information (including the ARNWP, MWWWS and the Maximum Weekly Employer Pay before Tapering (MWEPT)) to ensure each eligible employee will get the correct wage subsidy due. The Employer CSV file takes into consideration all the employee's active employments, including those that the employer may not be aware of. The guidance also details what happens if an employer chooses not to use the information in

the Employer CSV file.

3. The guidance re-iterates that the new wage subsidy rates previously announced by Minister Donohue will be effective from 4 May, as follows:
 

For eligible employees the wage subsidy rates are:

  - a. For Average Revenue Net Weekly Pay (ARNWP) not more than €586:
    - i. Where the ARNWP does not exceed €412, a subsidy of 85% of ARNWP, to a maximum of €350, is applicable.
 

Tapering Exception: Where the ARNWP does not exceed €412, the employer may pay an additional gross payment such that the gross pay plus the temporary wage subsidy does not exceed €350 per week. The effect of this is that an employee earning less than €412 per week will not have their wage subsidy tapered where the combined wage subsidy plus their gross pay does not exceed €350.
    - ii. Where the ARNWP is more than €412 but not more than €500; a subsidy of €350 is applicable.
    - iii. Where the ARNWP is more than €500 but not more than €586, a subsidy of 70% of ARNWP is applicable to a maximum of €410.
  - b. For ARNWP greater than €586 per week but not more than €960 per

week:

Where the eligible employee's ARNWP is greater than €586 per week but not more than €960 per week and the employee's current gross pay, as reported in the payroll submission, is:

- i. not more than 60% of the ARNWP, a subsidy of €350 is applicable.
  - ii. more than 60% and not more than 80% of the ARNWP, a subsidy of €205 is applicable.
  - iii. more than 80% of the ARNWP, no subsidy is payable and J9 PRSI class should not be applied.
- c. For ARNWP more than €960, and current gross pay is below €960 per week:
- The wage subsidy is available to support employees whose ARNWP is more than €960, and their current gross pay is below €960 per week.
- Where the employee's current gross pay, as reported in the payroll submission, represents:
- i. not more than 60% of the ARNWP, a subsidy of up to €350 is applicable (This is Tier 1).
  - ii. more than 60% and not more than 80% of the ARNWP, a subsidy of €205 is applicable (This is Tier 2).
  - iii. more than 80% of the ARNWP, no subsidy is payable and J9 PRSI class should not be applied (This is Tier 3).

For such employees, the maximum additional gross payment an employer can make, to receive the full subsidy, is the difference between €960 and their maximum weekly wage subsidy.

The guidance also confirms that tapering of the subsidy will apply in this Operational Phase and provides worked examples.

4. Helpfully for employers, a sample calculator to demonstrate the calculation of the wage subsidy is

available for download from the COVID section of the Revenue Website [here](#).

5. It is worth noting the following guidance in respect of employees rehired after 1 May:

*Employees rehired after 1 May 2020 will not be included in the 4 May 2020 Employer CSV file. Revenue are investigating options to facilitate the inclusion of such rehires at a future date. Until then, J9 submissions for employees rehired after 1 May 2020 will be processed but rejected for refunding. It is our expectation, that at*

*a future date, Revenue will reprocess all the submissions received from the employee's rehire date and refund where appropriate.*

6. The guidance provides useful clarifications for the voluntary and community sector, confirming that eligibility for the Scheme will largely depend on the source of employer's funding. It also contains information on how to deal with employees with multiple employments in payroll submissions.

## KEY CONTACTS



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