



Temporary Wage Subsidy Scheme (TWSS)

Members' Questions and Revenue's Answers

24 April 2020

This Q&A has been prepared to assist members understanding of Revenue's guidance and approach to the most common queries that have been raised on the TWSS. This document should be read in conjunction with the published Revenue guidance on the scheme, both in the [FAQ](#) and the [Employer Eligibility and Supporting Proofs](#). We direct members throughout the document to the relevant Revenue guidance, when considering employer eligibility and the operational aspects of the scheme.

Application of the TWSS to individuals whose pre-COVID-19 gross salary was over €76,000 but have had a pay cut

1. I understand that those on ANWP of over €960 in January/February can be eligible for the subsidy, if they have since had a pay cut (subject to the reduction and tapering). What date does this amendment take effect?

RESPONSE: As outlined in Revenue's [FAQ](#), this takes affect from 16 April 2020.

2. Paragraph 3.1 (Eligible Employees) of the FAQ (v7) notes that "*An employee is not an eligible employee if their gross pay, as reported in their payroll submission, exceeds €960 per week*". Does this not contradict the recent announcement that those who were on over €76,000 pre-COVID who suffered a pay cut may qualify for the subsidy (subject to the salary reduction and tapering)?

RESPONSE: On Wednesday, 15 April, the Minister for Finance announced further updates to the Temporary Wage Subsidy Scheme. The changes can be found in the Minister's [Formal Determination](#) and the Revenue guidance has been updated to reflect those changes.

3. When does the pay cut have to have taken place, is it between 1 March and 16 of April or some other timeframe?

RESPONSE: The pay cut may have happened any time after 29 February to date. These employees were, prior to 16 April, not eligible for the scheme as their ARNWP was greater than €960 based on the Jan/Feb payroll submissions. The pay cut can happen between 1 March up to the end of the scheme.

4. In determining whether the appropriate pay cut has been applied, is it a percentage reduction on gross pay or net pay?

RESPONSE: Per Revenue's [FAQ](#), it is where the current gross pay, as reported in the payroll submission, represents the relevant percentage reduction from the Average Revenue Net Weekly Pay (ARNWP). If the reduction is:

- less than 20%, no subsidy is payable
- between 20% and 39%, a subsidy of up to €205 is payable
- 40% or more, a subsidy of up to €350 is payable

5. Revenue guidance states that the subsidy is available where the pay cut was more than 60%. On the gov.ie website, however, the reference is to more than 40%. Can you clarify which is correct?

RESPONSE: Revenue's [FAQ](#) clarifies that where the current gross pay, as reported in the payroll submission, represents a reduction from the ARNWP by 40% or more, a subsidy of up to €350 is payable.

6. Do the new subsidy amounts apply with immediate effect to those with pre-COVID gross in excess of €76,000 but whose post COVID-income has been cut by the percentages outlined above?

RESPONSE: The changes announced on 15 April 2020 by the Minister for Finance apply to payroll submitted from 4 May with a pay date on or after that date until the end of the scheme. However, from 16 April 2020, the wage subsidy is available to support employees where their pre-Covid salary was greater than €76,000, and their post-Covid salary has fallen below €76,000, subject to the tiered arrangements and tapering to ensure that the net pay does not exceed €960 per week. (See FAQ's 4.7.1)

Employer Eligibility – The 25% Test

7. Can Revenue provide more guidance on their approach to the “25% test”?

- a. What if your projections indicate a fall in turnover/customer orders by in excess of 25% but this does not transpire, and the reduction is less than expected?**
- b. The FAQ refers to a reduction for quarter 2, as the scheme continues until June can you consider quarter 3 now in your projections?**
- c. Must employers examine turnover and customer orders, or can they use alternative measures that may be more appropriate to their business model, such as diminished cash receipts as your clients/customers cannot pay you?**
- d. Is the test applied on a group or single entity basis?**
- e. Can it be applied to separate business units within a company?**

RESPONSE: Revenue's guidance was updated on 20 April to provide more clarification and examples on this matter. We recommend employers and tax advisers read this updated document carefully - [Employer Eligibility and Supporting Proofs](#).

Some key concepts in the Employer Eligibility guidance are:

- Revenue's key focus is on the significant negative disruption experienced due to the COVID-19 pandemic. This will be obvious in many cases due to business closure.
- The [Employer Eligibility and Supporting Proofs](#) refers to decline in Q2. Revenue is open to considering other relevant evidence that reasonably demonstrates eligibility for the COVID-19 Temporary Wage Subsidy Scheme and, as other examples are

brought to their attention, they will update their Guidelines accordingly. The 25% reduction in turnover/ customer orders is reflected in the legislation (the Covid-19 Act). Where the turnover/customer orders test **cannot be applied** to the business in question an alternative basis for assessing eligibility can be used.

- The starting position is that neither the turnover test nor the reduction in customer orders test is capable of being applied to the business in question. It is not sufficient that the business does not meet either of these tests, before an alternative basis can be used. Employers using an alternative basis should engage with the Revenue Division that manages their case.
- The true impact on the business may be better or worse than expected. Employers should retain the documentation which outlines the basis for concluding that the business expected a fall of at least 25% in turnover/ customer order in all cases.
- The 25% reduction test may be applied at the level of the company or, if a company is formally structured into individual Business Divisions, at the level of the individual Business Division. Revenue's FAQ provides detailed information on establishing whether a Business Division is a formalised structure.
- Revenue's FAQ also provides guidance regarding associated companies and groups, Head Office Division, staff working across divisions etc.
- Revenue will administer the scheme on the basis of a presumption of honesty by the taxpayer and expect the taxpayer to adopt a similar manner.
- Should Revenue seek to validate the employer's eligibility for the scheme, Revenue will adopt a reasonable, fair, and pragmatic approach in considering whether the criteria have been met.

Employer Eligibility - Cash Reserves

8. Can businesses with cash reserves qualify for the subsidy?

RESPONSE: Revenue has received recurring queries about the impact of cash reserves on employer eligibility. Revenue updated its guidance on [Employer Eligibility and Supporting Proofs](#) on 20 April to provide further clarification on certain points. In essence, the presence of cash reserves will not result in an employer being ineligible for the scheme.

In other cases where a business has suffered a significant decline in business but has strong cash reserves, the Government expects such an employer to pay a significant proportion of the employees' wages. The Government considers a business that has strong cash reserves, should not be wholly reliant on the State to pay their staff. The business should retain records and documentation that supports their application.

9. Revenue guidance notes that businesses with strong cash reserves are expected to pay a significant proportion of employee wages – how does Revenue define “significant”, for example, is this by reference to a specific percentage of the wages?

RESPONSE: “Significant” is a subjective term and will vary depending on the business and its circumstances - Revenue cannot be prescriptive on this point. The business is best placed to make this decision.

Revenue's [Employer Eligibility and Supporting Proofs](#) also deals with cash reserves where:

- A single entity generating income from both trade and non-trade activities has accumulated cash reserves at the company level.
- In the case of groups, cash reserves should be looked at in a holistic way.

- Revenue has confirmed that groups can contact the Division that manages their case to outline the group's circumstances.

Should Revenue seek to validate Employer Eligibility for the scheme, Revenue will adopt a reasonable, fair, and pragmatic approach in considering whether the criteria have been met.

Late Submissions/ Amended Submissions

10. There are cases where the February payroll submission report (PSR) was not filed until after 15 March. The employer may otherwise satisfy the condition for the TWSS. The employers have been told by Revenue that they are ineligible for the scheme. Could Revenue consider "late submissions" on a case by case basis, for example, where the payroll submission relates to long-standing employees, or the delay was due to illness?

RESPONSE: The TWSS builds on data returned to Revenue through its real-time PAYE system. From reviewing cases since the TWSS started, it has become apparent to Revenue that a number of employers have been rejected for the scheme because they failed the 15 March 2020 rule but had qualified under all other conditions of the scheme and are otherwise tax compliant. Given the overarching purpose and objective of the scheme, Revenue has now, agreed, under its care and management authority provisions, to allow such employers access the scheme provided the employees in respect of whom the wage subsidy is claimed were included on the employer's payroll on 29 February 2020, the February 2020 payroll submissions were submitted to Revenue before 1 April 2020, and the payroll submissions for all previous months were submitted to Revenue before 15 March 2020.

Where a business qualifies for the TWSS under the revised criteria, the wage subsidies under the scheme will be payable for eligible employees in respect of payroll submissions made on or after 24 April 2020, with a pay date on or after 24 April 2020, and cannot and will not be retrospective. It is important to note that where employees are receiving COVID-19 related Pandemic Unemployment Payments (PUP) from the Department of Employment and Social Protection (DEASP) and are subsequently 'rehired' by the employer to avail of the TWSS payment, it is important that the PUP is ceased. Revenue and DEASP are sharing information to identify duplicate payments across both schemes.

Further details are available [here](#).

11. Can the employer appeal Revenue's decision that a submission was late, and the employer is ineligible for the scheme?

RESPONSE: The wage subsidy is not tax. So the relevant legislation does not provide an appeal mechanism to the Appeal Commissioners against a decision to refuse an employer application for the Temporary Wage Subsidy Scheme (entry to the scheme is on a self-assessment in any event but employers are asking if their particular circumstances satisfies the eligibility criteria). Where a business fails to meet the qualifying criteria for TWSS under the above process there is no formal appeal mechanism provided for in the legislation. Where a business fails to meet the qualifying criteria for TWSS under the above process but wishes to further engage with Revenue on the matter, it must provide supporting evidence setting out the rationale for why it should be included in the Scheme. This supporting documentation should be provided via Revenue's myEnquiries system.

12. What is the position for employees accidentally omitted from the February payroll submission report or the amount of pay reported was incorrect? By concession, can the employer correct the PSR now and qualify for a subsidy for that employee if they can prove that the person was long-standing on the payroll or the amount recorded was incorrect by providing relevant supporting information to Revenue?

RESPONSE: Refer to Q.10

The January/February Base Period

13. The January/February “base period” applies for the full term of the scheme, when calculating the ANWP for the purposes of the subsidy. Does this align with the legislation or could another net pay figure be used for the basis of the calculations?

RESPONSE: An employee’s Average Net Weekly Pay (ANWP) is based on the January and February payroll submissions made to Revenue by the employer by 15 March 2020. This base period will apply to the calculation of the subsidy for the full term of the scheme. The Minister for Finance confirmed in his [Formal Determination](#) of the subsidy amount on 15 April, that for the purposes of the operation of the scheme, the Average Revenue Net Weekly Pay is the employee’s Average Net Weekly Pay for January and February 2020 based on payroll submissions made to the Revenue by the employer.

14. The use of January and February as the base period may mean that the ANWP is not reflective of an employee’s “normal” or “usual” pay. For example, it may reflect a bonus for 2019 that is paid in January, employees may work more or work less hours in that period, employees may be on unpaid leave, employees may be working extra hours now to make up for sick or laid off staff etc. Was it not the intention of the scheme to maintain an employee on as close as possible to their normal net pay?

RESPONSE: The scheme is an emergency measure to deal with the impact of the COVID-19 pandemic on the economy. The overarching ambition of the scheme is to ensure the key relationship between employers and employees is maintained to the greatest extent possible so that businesses can restart operations quickly once the crisis has passed.

The TWSS builds on data returned to Revenue through its real-time PAYE system. It must be accepted that the underlying legislation and the scheme itself simply cannot be tailored to meet every individual unique set of circumstances for either employers or employees.

The Minister for Finance’s amendments to the subsidy, announced on 15 April, are intended to address some of the anomalies that were identified in the scheme. At the press conference announcing his determination on the subsidy amounts, the Minister for Finance noted that the purpose of the scheme was to maintain as much income for workers as possible, but it was not a commitment to maintain all income for those on the scheme. The Revenue Chairman also noted during the same press conference that it could have taken a number of years to develop a system to accommodate all such scenarios and even then, it might not be possible.

15. Many employed propriety directors are not paid monthly but are paid at quarterly intervals. Therefore, the use of the January/February base period means they are unfairly excluded from the scheme as they were not paid in those months. Are there plans to include them in the scheme?

RESPONSE: The scheme can only be operated in respect of eligible employees. Where an employee is paid quarterly, they would not have been on the payroll as of 29 February 2020 and are therefore ineligible for the scheme.

16. The “Gross Pay” figure used in calculating the ANWP is before pension contributions, so employees who may initially appear to qualify for the scheme may not qualify and using this calculation artificially inflates the salaries of employees making pension contributions. It does not reflect their “net pay”?

RESPONSE: An employee’s Average Revenue Net Weekly Pay (ARNWP) is based on January and February payroll submissions made to Revenue by the employer. As set out in the Revenue guidance, the “Average Revenue Net Weekly Pay”, is calculated using the values in the payroll submission for each pay date in January and February 2020: “Gross pay” less “Income Tax Paid”, “USC Paid” and “Employee PRSI paid”.

Subsection (1) of the Temporary Wage Subsidy Provisions defines gross pay as having *“the same meaning as it has in the regulations”*. The Income Tax (Employments) Regulations 2018 defines gross pay as meaning *“total remuneration which includes emoluments and notional emoluments but without reference to any deduction for pension contributions payable by the employee or any salary sacrifice deduction”*.

Eligible Employees

17. Can employees who have been transferred to a new employer under the TUPE Regulations after 29 February qualify for the TWSS?

RESPONSE: As outlined in Revenue’s [Employer Eligibility and Supporting Proofs](#), where employees have transferred to a new employer as part of a company reconstruction underpinned by Regulation 4(1) of the European Communities (Transfer of Undertakings) the eligibility criteria will be applied as if the employer did not change.

18. Can an employer place some employees on temporary layoff and let them apply to DEASP for the COVID-PUP while retaining others on the payroll and claiming the subsidy? For example, some businesses may have laid off production workers while retaining administration staff. Revenue guidance notes that that eligible employers must retain its employees on its payroll to avail of the subsidy. Can Revenue clarify the position?

RESPONSE: There is no prohibition on laying off some employees and ceasing them on the payroll. These will not be included in the subsidy scheme. Employers claiming the subsidy for eligible employees must have a firm intention to retain these employees. Employers are encouraged to rehire employees that have been temporarily laid off.

Employees who were on the payroll of the employer at 29 February 2020, who were ceased, between 1 March and 25 March 2020, can avail of the TWSS for future payroll if they are rehired. Following the announcement from the Minister of Finance on 15 April, the new measures to take effect from 4 May include an increase of the subsidy to 85% where an employee has ANWP of less than €412 and allows employers to top up the net pay to over 15%, capped at €350. Additionally, employees with ANWP between €412

and €500 will get a flat rate subsidy of €350. Therefore, all employees with ANWP less than €500 should be able to receive at least the equivalent of the COVID-PUP of €350.

19. Do any additional conditions apply to employees who are employed by their spouses or to proprietary directors in order to claim the subsidy?

RESPONSE: The same criteria and conditions, outlined in Revenue guidance, apply to all participants in the scheme.

The Calculations – The Transitional Phase

20. According to Revenue’s guidance, employees on the payroll throughout January and February have 9 insurable weeks – why is this 9 rather than 8 weeks? Can employers use 8 weeks in calculating the ANWP instead?

RESPONSE: A contribution week starts on the first day of the year of assessment for a period of 7 consecutive days. Therefore, there are 9 insurable weeks in January and February. 9 is also the **maximum** number of insurable weeks in the period. As outlined in Revenue’s [FAQ](#):

- If the total number of insurable weeks for an employee on the payroll software is 8 then 8 can be used as the divisor.
- If the payroll run is for less than 8 weeks, then the divisor is the number of weeks for which they are paid.
- If there are zero insurable weeks (i.e. the employee is PRSI-exempt status or holds a PAYE Exclusion Order) 9 should be used as the divisor.

21. What is the maximum top up amount allowed for an employee, without a clawback, who has ANWP in excess of €586 (but below €960)? For example, if an employee’s ANWP is €800, the subsidy is €350. Is the maximum top up €450 (i.e. the difference between the ANWP and the subsidy) or €240 (i.e. 30% of the ANWP)?

RESPONSE: In the example provided, the maximum “top up” would be €450 – the difference between the ANWP and the subsidy amount.

22. In the example above, if the employer continued to pay BIK, for example, medical insurance premiums of €50 per month, in addition to the maximum top up amount, could this result in a clawback of the subsidy?

RESPONSE: Yes, Revenue do not look at the constituents of the pay i.e. what is pay and what is BIK etc. Revenue’s FAQ contains more information on the potential tapering of the subsidy as the top up amount increases.

23. Take the example of an employee who is paid monthly, whose taxable salary is €2,000 per month and the non-taxable BIK (TaxSaver) is €150 per month. Income tax, PRSI and USC is deducted of €237.24, so that net pay after tax is €1,762.76. What is the figure for gross pay when calculating average net weekly pay? In this case, is gross pay €2,150 per month or is it €2,000? I am not clear from the Revenue definition which it is?

RESPONSE: The Gross Pay in this example is €2,000.

24. Why is Revenue treating the “top up” as a gross amount instead of allowing employers to re-gross? The absence of re-grossing will leave the employee at less than the ANWP and employers have been encouraged to bring the employee as close as possible to their normal tax-home pay. If the employer does in fact top up to provide an employee with take home pay, they will have exceeded the maximum top up and this will be clawed back per Revenue Guidelines.

RESPONSE: The TWSS was designed quickly to address the Government’s overarching objective of providing financial supports to employees who suffered an immediate loss of wages due to business closures arising from the Government COVID-19 restrictions, maintain the link between employer and employee to reignite the economy once the crisis has passed. It was structured to cater for as wide a group as possible.

As outlined in the [FAQ](#), it was important to develop a mechanism that gave a predictable result and could be implemented by all employers. Given the range of factors that impact on the calculation of an employee’s gross to net pay it would not be possible to devise a universally applicable mechanism that would deliver a predictable and consistent result if re-grossing was applied. In some cases where the employer makes a top up payment to the employee, the net pay may be less than the employee’s Average Net Weekly Pay, it will depend on that employee’s tax credits, tax bands etc.

At the press conference announcing his determination on the subsidy amounts, the Minister for Finance noted that the purpose of the scheme was to maintain as much income for workers as possible, but it was not a commitment to maintain all income for those on the scheme. The Revenue Chairman also noted it could have taken a number of years to develop such a scheme and even then, it might not be possible.

25. Employers may have re-grossed top-ups in early stages of operating the scheme when aspects of the scheme’s operation were uncertain - will Revenue take a pragmatic view to these cases?

RESPONSE: Revenue will treat the additional ‘top-up payment’ as the gross pay from the employer. Income tax and USC must be operated on this payment, subject to the tiering and tapering restrictions.

26. Version “FAQ V6.0” of the Revenue guidance refers to a reduction of the subsidy or ineligibility where the amount of the top up is considered excessive. What is meant by an "excessive" top up?

RESPONSE: In the Transitional Phase, where an employer makes an additional ‘top-up payment’ which increases the employees total pay (gross pay plus subsidy) over the previous ANWP, the difference between the total pay and previous ANWP would be considered the excessive ‘top-up payment’. In Phase 2 (from 4 May onwards), the subsidy will be personalised to the employee, and incorporate the changes announced by the Minister for Finance.

27. How much of the subsidy will be taxed on the employee at year end i.e. the full subsidy amount put through payroll or the subsidy figure reduced by the clawback?

RESPONSE: As set out in subsection (5)(e) of the Temporary Wage Subsidy Provisions, the amount of temporary wage subsidy paid by the employer to an employee is not taxable in real-time through the PAYE system during the period of the Subsidy scheme. Instead the employee will be liable for tax on the subsidy amount paid to them by their

employer by way of review at the end of the year.

- 28. For the calculation of the ANWP an employer was advised via MyEnquiries to ignore BIK in the calculation of the average net pay for January and February, is this correct?**

RESPONSE: Gross Pay means “*total remuneration which includes emoluments and notional emoluments but without reference to any deduction for pension contributions payable by the employee or any salary sacrifice deduction.*” – see page 15 in Revenue’s [FAQ](#). Therefore, BIK is included in the calculation of ANWP. Also see Q.16.

The eligible employer can suspend the operation of BIK for eligible employees for the period that the employee is on the scheme. However, the notional pay will be liable for tax and USC on review at the end of the year. In these cases where the employer is unable to make top up payments, there needed to be a suitable mechanism and the FAQ allowed rather than required the suspension of BIK. Where employers are making top up payments, which would allow for the operation of BIK, BIK should be operated.

- 29. How long will the transitional phase remain in place?**

RESPONSE: The Transitional Phase will remain in place until further notice. Phase 2, the stage when a personalised subsidy rate is paid, will begin on 4 May at the earliest. Revenue is working on its own IT developments, software developers and employers to be ready by this date.

- 30. Can Revenue provide a detailed statement breakdown of the repayments made to employers, to enable full reconciliation?**

RESPONSE: At present, employers can view the total value of TWSS refunds when the refund is processed by using the online statement of account facility on ROS. Revenue are currently developing a process where employers can view these details on the payroll screens in ROS that will show the TWSS refund for each payslip submitted and the refund made which is expected to be available after 4 May.

Phase 2 – The Calculations

- 31. Can Revenue provide some examples of the tapering in Phase 2? For example, where the ANWP is €900 and we assume an employer makes a ‘top-up payment’ of 50% and also 65% of the previous ANWP.**

RESPONSE: Guidance will be made available prior to the launch of Phase 2.

- 32. Will the increase to 85% from 70% for employees in the bracket less than €412 have the increase backdated?**

RESPONSE: No, the new subsidy rates and tapering will become fully operational payroll submitted from 4 May, with a pay date on or after that date until the end of the scheme

- 33. For monthly payrolls in April, is the subsidy €205 per week with effect from 16 April (i.e., 2 weeks only), or is it €888 for the full month of April?**

RESPONSE: The changes announced on 15 April 2020 by the Minister for Finance apply to payroll submitted from 4 May with a pay date on or after that date until the end of the scheme. However, from 16 April 2020, the wage subsidy is available to support

employees where their pre-Covid salary was greater than €76,000, and their post-Covid salary has fallen below €76,000, subject to the tiered arrangements and tapering to ensure that the net pay does not exceed €960 per week. (See FAQ's 4.7.1) In the case of monthly payrolls it is not necessary to pro rata the subsidy, it may be claimed for the full period to which the pay period refers to.

Employee Issues including the End of Year Review

34. If an employee is laid off and take up other employment can they avail of both the COVID-PUP and the subsidy?

RESPONSE: No, an individual cannot receive a subsidy under the TWSS and also receive the COVID-PUP. As outlined in Revenue's [FAQ](#), the individual should notify the DEASP they are in employment, by closing their claim or "signing off" the COVID-PUP (on www.welfare.ie). Revenue and the DEASP exchange information on a weekly basis to identify any individuals receiving payments under both schemes.

35. What will be the tax treatment of employee pension contributions paid/due during this scheme - can employees catch up on payments later if they are suspended?

RESPONSE: Pension contributions cannot be offset against the subsidy amount. The subsidy amount must be paid to the employee in full. Revenue updated their [FAQ](#) last week to cover a number of other pension questions raised including; whether the subsidy is pensionable pay and the option to elect to make special contributions to their pension before the 2020 income tax return filing date. The [FAQ](#) also covers guidance relevant to employer pension contributions.

36. To minimise the risk of an underpayment of tax and the generation of tax refunds for earlier pay periods, can an employee avail of the Week1/Month 1 basis?

RESPONSE: Yes - Revenue will not apply Week 1/Month 1 automatically, however, an employee or their agent can request Revenue to apply their tax credits on a Week 1/Month 1 basis. This request can be made via MyAccount by MyEnquiries.

37. If an employee remains on the cumulative basis and the tax on the subsidy is not collected at source, how will the tax be collected through the year end review? For some employees it could be a sizable amount, due to refunds issued for earlier pay periods, non-taxation of the subsidy and under taxation of the "top up". On the basis that the scheme continues until the end of June, at the end of the year the employee could have 6 months of income untaxed. Even with the inclusion of tax credits for health expenses or other items this could be a very significant sum, and over €1,000?

RESPONSE: As outlined in the [FAQ](#), any income tax or USC due will be collected from the employee by way of an end of year review. It may be the case that the employee's unused tax credits or additional credits they are entitled to, such as health expenses will offset any further liability. It is normal practice to avoid hardship for a PAYE employee to spread collection over a tax year(s). Revenue will issue further information on the end of year review in due course.

38. Some individuals may find that they are in less favourable net take home pay position for the 2020 income tax year where they have qualified for the TWSS, than individuals on the same salary that do not qualify for the TWSS. This is due to the fact that the wage subsidy payment and additional employer payment are calculated based on net amounts. However, for payroll purposes are treated as

gross values and eligible employees in receipt of the subsidy will be subject to income tax and USC on the wage subsidy amount. Will consideration will be given to addressing this later in the year, for example, by exempting the TWSS payment from income tax to the extent that taxing it would leave an individual in a worse net pay position for 2020 than they would have been had they not been a participant in the scheme?

RESPONSE: As set out in subsection (5)(e) of the Temporary Wage Subsidy Provisions, the amount of temporary wage subsidy paid by the employer to an employee is not taxable in real-time through the PAYE system during the period of the Subsidy scheme. Instead the employee will be liable for tax on the subsidy amount paid to them by their employer by way of review at the end of the year.

39. How will BIK that is suspended for the term of the scheme be collected? Will this be collected via, the end of year review or via payroll once the immediate crisis is over?

RESPONSE: For Revenue to pick up the BIK at the end of the year the employer will need to report it to Revenue before 31 December. The employer could do a final submission that includes the notional pay that was not reported during the operation of TWSS and have 0 tax and USC deducted from it.

Miscellaneous

40. Is the subsidy a taxable receipt for the employer?

RESPONSE: No, see Revenue's responses to ITI queries on 3 April [here](#).

41. Is the employer "top up" deductible for income tax and corporation tax purposes?

RESPONSE: The top-up amount paid by the employer can be treated as a normal deductible payroll expense. See Revenue's response to ITI queries on 3 April [here](#). (The subsidy is not tax deductible.)

42. Is the duration of the scheme 12 weeks from registration or from start of the scheme?

RESPONSE: 12 weeks from the start of the scheme.

43. How is the Department of Children and Youth Affairs Temp Covid-19 Wage Subsidy Childcare Scheme (i.e. the 30% top up from the DCYA taxed)? How will the top-up from DCYA be recorded on the online form on ROS?

RESPONSE: Details on the interaction of the DCYA scheme and the TWSS are available in the Revenue [FAQ](#).

44. How are payments received from the GMS to general practitioners for Secretaries as a grant due to COVID-19 treated in line with the wage subsidy scheme?

RESPONSE: Where a GP Practice is already in receipt of employment subsidies e.g. allowance for Practice Secretary, allowance for Practice Nurse, allowance for Practice Manager, the TWSS cannot be operated in respect of such employees.

45. In the case of a private nursing home business, significantly disrupted by Covid-19, but expecting to benefit from a financial support package announced by the

government, would this be taken into account in determining the expected 25% reduction in turnover (or would it be regarded as a contribution towards Covid-19 costs)?

RESPONSE: Yes, the financial support package should be included in the turnover figure for the purposes of determining the expected 25% reduction in turnover.

46. Have the penalty monetary figures been published for non-compliance with the subsidy scheme?

RESPONSE: The law governing the Temporary Wage Subsidy Scheme, namely, section 28 of the Emergency Measures in the Public Interest (Covid-19) Act 2000, does provide for penalties for abuses of the scheme but only in certain prescribed circumstances.

Subsection (15) of that section provides where an employer is liable to a penalty of €3,000, where the employer fails to include in, and separately identify in, the wage slips legally required to be given to employees under the Payment of Wages Act 1991 the amount of the wage subsidy. Where the employer who fails to comply is a body of persons, the secretary of that body is liable to a separate penalty of €3,000. These penalties are not considered unreasonable; they are designed to ensure transparency around the wage subsidy and to protect employees who are entitled to know what wage subsidy the employer has received in respect of them.

Subsection (16) of that section provides for more severe criminal penalties where an employer knowingly or wilfully delivers an incorrect return or statement, or knowingly or wilfully furnishes any incorrect information, in connection with the temporary wage subsidy scheme or where a person knowingly assists another person to furnish incorrect information in relation to the scheme. In the case of a summary conviction, the penalties can include a fine of up to €5,000 or imprisonment for a term not exceeding 12 months or both the fine and the imprisonment. In the case of a conviction on indictment, the penalties can include a fine of up to €126,970 or imprisonment for a term not exceeding 5 years or both the fine and the imprisonment. The penalties are severe because they are designed to protect against deliberate fraud by unscrupulous employers seeking to abuse what is a generous and expensive State support.

However, given the way the scheme is structured, in that the employer must have been compliant with its PAYE/PRSI reporting obligations and the employee must have been on the employer's payroll at 29 February 2020, the opportunity for deliberate fraud is limited, but given the national emergency any attempt to defraud the scheme should be dealt with severely.

47. When submitting the payroll online via the ROS form where do you enter the TWSS subsidy amount?

RESPONSE: The employer should enter the amount of the subsidy paid to the employee in the "other payments" section. See example below.

Other payments

Please enter any payment you are making to your employee relating to the COVID-19: Temporary Wage Subsidy Scheme.

[Learn more](#) ↗

Payment type

Please select ▼

Amount

48. For monthly payroll, will all of June payments be included in the TWSS?

RESPONSE: The scheme is expected to last a period of 12 weeks, starting from 26 March 2020, further guidance will issue on the next phase.

49. Where a company is put into liquidation due to the negative impact of COVID-19 but will trade for another month or two in order to sell off their stock etc. can the company avail of the TWSS for their staff to the point they cease trading?

RESPONSE: Notwithstanding the business is impacted significantly due to COVID-19, an employer should have the firm intention of continuing to employ the specified employees. Where a company enters liquidation, this requirement would appear not to be fulfilled.

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