

Depart of Enterprise, Business and Innovation

Covid Employer Refund Scheme Frequently Asked Questions (FAQs)

The new Covid Employer Refund Scheme has been designed to use existing infrastructure and processes and can be put in place immediately. The Scheme allows employers to make a payment equivalent to the Covid Unemployment payment (of €203) to workers who are temporarily laid off and are receiving no other wages payment from the employer.

How will the scheme work?

- The new Refund Scheme will commence immediately. Details of the scheme are set out in the Revenue Guidelines document to employers and payroll providers (attached).

What workers are eligible?

- Those employees who come within the scheme are;
 - Employees who have been working with the employer
 - Have been temporarily laid off and therefore are eligible for Covid-19
 - Are between 18-66 years old
 - Were included on a payroll submission made by the employers from 1st February 2020 to 15th March 2020
 - Have not ceased the employee with Revenue
 - Are receiving no other wage payment from their employers. This includes wage top-ups, overtime, shift allowances, on-call payments so that the only additional payment on the payroll should be wages of €0.01.

Can a business owner be included?

- Anyone who is paid a wage from the business and is on PAYE can be included.

Does this apply to Students?

- Yes. An employer can include workers who are in full time education but were also working.
- These individuals will qualify for the Covid-19 Pandemic Unemployment Payment provided they have lost employment. However, they will not be eligible for either Jobseeker's Allowance or Jobseeker's Benefit as they are full time students and are not available for and genuinely seeking full time employment.

What does the worker and employer have to do to participate in the scheme?

Employee

- Employee in respect of whom a refund is being claimed should confirm to Employer that they have not and will not claim a Covid-Pandemic Unemployment Payment in cases where the employer is retaining them on the payroll in order to pay €203 per week.
- If the worker normally works part-time only, the worker should confirm with the Employer that they do not have an additional employer.
- Workers who are due a higher payment (e.g. because they have child or adult dependants) should make a claim for standard jobseeker's benefit online at www.mywelfare.ie. They will be moved onto this higher payment as quickly as possible and the employer will cease paying the €203 to the employee.

Employer

- Employers should register for the scheme with Revenue via the Revenue Online System (ROS)
- Employers should advise workers who are due a higher payment (e.g. because they have child or adult dependants) to make a claim for standard jobseeker's benefit online at www.mywelfare.ie. They will then be moved onto this higher payment and the employer should cease paying the €203 to the employee.

If the worker is entitled to a higher payment (for example has qualified children), how will they get this money?

- The jobseeker claims received from workers who have adult or child dependents will be prioritised for payment. Once these are put into payment refunds will cease and the employer can cease making payments. When a decision is made on a claim any outstanding amounts due in respect, for example, of qualified dependants will be awarded to the worker.

What rate of PRSI should be recorded?

- The rate of PRSI to be applied should be J9 as this will help identify those affected more readily for reconciliation and updating as required.

How will the Universal Social Charge be handled?

- The €203 will be recorded as non-taxable income on the payroll.

What if the employer is paying full wages to their team, despite the business being affected by Covid-19? Can they still get a rebate for the €203?

- The Covid Employer Refund Scheme only applies to staff who have actually been let go and would otherwise be claiming a Jobseeker's payment from Intreo i.e. where no wage payment is being made.

Are these payments based on PRSI contributions?

- The employer does not need to concern themselves with the PRSI status of workers. The workers' eligibility for a Jobseeker payment will be determined by the Department of Employment Affairs and Social Protection once the full Jobseeker claim is determined and any social insurance issues will be dealt with between the Department and the worker at that time.

Will the payment be made pro-rata for part time employees?

- This is a flat rate payment only. All employees should be paid the €203 rate.

Can the employer pay for a period then advise the employee to go directly to the Department of Employment Affairs and Social Protection?

- Yes. If the employer ends up in a position where they cannot continue the payment of its staff via their payroll, they can advise the worker to apply directly to the Department of Employment Affairs and Social Protection for a jobseeker's payment.

What about workers who have been paid with the assistance of Department of Employment Affairs and Social Protection Employment Support Schemes?

- This refund Scheme applies to all workers who are temporarily laid-off. However, where the workers were in receipt of a Wage Subsidy Payment, JobPlus Payment, or Youth Employment Support Payment employers should, in these cases, notify the Department of Employment Affairs and Social Protection at YESS@welfare.ie .

What if an employer lays-off some workers but retains others who remain working?

- The workers who are being temporarily being laid off, without any wage payment, should have the €203 recorded as non-pay with a taxable amount of €0.01.
- The workers who are being kept on should have their wages recorded as usual.

Which employers are eligible?

All employers who are able to participate in the Covid Employer Refund Scheme are encouraged to do so, provided they

- Are registered on ROS
- Register for the new Covid Employer Refund scheme
- Are up to date with their payroll returners.

What happens if an employer pays a worker who also claims a payment from the Department of Employment Affairs and Social Protection?

- This should only arise if the worker does not advise the employer that they have made a claim to the Department of Employment Affairs and Social Protection and even in these cases it is expected that the overlap period will be at most one payroll period.
- Employers are encouraged in these cases to adjust future payments by agreement with the workers concerned to recover any overpayment.

How long will this Covid Employer Refund Scheme last?

- The duration of availability of the refund scheme will depend on how the Covid-19 situation evolves. Any closure of the refund scheme will be communicated in advance.
- Refunds will continue to be made in respect of each worker so long as their employer maintains the payroll payment system and the person themselves are not in receipt of a Covid-19 payment from the State.
- Employers will be notified via the Revenue system when a refund is not being paid and should cease payments to the worker concerned from that point forward.

Guidance and 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.