

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 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; and
- 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?

Workers:

- Worker 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 jobseekers 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 .
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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 in a position 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.

Revenue Guidance Employer COVID-19 Refund Scheme

On 15 March 2020, the Government announced the implementation of exceptional measures, administered through the Department of Employment Affairs and Social Protection (DEASP), to enable workers who are temporarily laid off due to the COVID-19 (Coronavirus) pandemic to claim a special support payment of €203 per week.

Revenue has worked closely with DEASP to provide an option for employers to make this payment to their employees through the normal payroll process. The amounts paid to employees under the scheme are not subject to tax, USC or PRSI.

Employers are encouraged to facilitate employees by operating the scheme. The amounts paid to employees and notified to Revenue will then be transferred into the employer's bank account by Revenue. This reimbursement will, in general, be made on a 'next day' basis. It will ensure a speedy payment process for employees and minimise the hardship for employees who are temporarily laid off. Refunds of income tax or USC that an employee may be entitled to because of being laid off will also be administered by the employer, and will be repaid (to the employer) through the scheme.

The scheme can be operated for all employees for whom a payroll submission was made by the employer in the period from 1 February 2020 to 15 March 2020. Where employees have already been laid off and their employer has ceased their employment, they can apply directly to DEASP for the payment.

Who does the scheme apply to:

- Employers who have temporarily laid off staff as a result of the impact on their business of the COVID-19 (Coronavirus) pandemic
- Employers that keep their staff on payroll and have not ceased the employee(s) with Revenue
- Employees for whom a payroll submission was made by the employer in the period from 1 February 2020 to 15 March 2020
- Employers that are unable to make top-up payments over and above the emergency payment of €203 per week.

Making an application for the Refund Scheme:

Employers, or their agents, apply to Revenue to operate the scheme by carrying out the following steps:

1. Log on to ROS myEnquiries and select the category 'Employer COVID -19 Refund Scheme'.
2. Read the declaration and press the 'Submit' button.
3. Log on to ROS and in 'Manage bank accounts', 'Manage EFT', ensure that the bank account details provided are correct.

Key features of the scheme:

The employer will make the payroll submission to Revenue on or before each pay date.

Employers should contact their payroll software providers for assistance in respect of payroll to be processed under this scheme.

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

- PRSI Class set to J9
- A pay amount of €0.01 (there must be some pay entered for the payroll to run)
- A non-taxable amount of €203. No other payment amounts are made by the employer to the employee and all temporarily laid off employees are granted the €203
- The payroll submission must include pay frequency and period number.

No other payments are made by the employer to the employee for the applicable week/s and all *temporarily laid off employees* receive the €203 per week.

Income tax, USC and PRSI are not deducted from the €203 payment.

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 this amount will also be refunded to the employer.

The employee must confirm to employer that they have not, and will not, claim a payment from DEASP whilst the employer makes this payment through the payroll.

Employers will be asked to advise employees with dependents to make a Jobseeker's Benefit claim via the MyWelfare.ie online portal (so that the employee/s can access qualified dependant payments if appropriate).

Based on the information provided in the payroll submissions, Revenue will credit €203 per employee per week to the employer's bank account recorded in ROS. The credit will include the reference COVID Employer Refund. *(The main identifiers include Employer Number Gross Pay of €0.01, J9 PRSI class, Pay Frequency and Employee PPSN, Employment ID).*

Revenue will credit the employer bank account for payroll submissions received before 2:00 PM each day. Depending on the individual bank, the refund should be with the employer on the next banking day.

If the employee(s) resume employment with the employer, or obtains other supports from DEASP, or secures employment elsewhere, the employer will not include the employee(s) concerned in future submissions.

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.