

Supports for employers & associated measures – Covid 19

Department of Social Protection

COVID-19 Employer Refund Scheme

The department has introduced a refund scheme for employers. Under an arrangement developed with Revenue, employers who have to temporarily lay-off staff and who are not in a position to make any wage payment to them, are asked to keep their employees on the payroll and pay them an amount of €203 - the equivalent of the COVID-19 Support Payment.

When they submit payroll returns to Revenue via their payroll provider, Revenue will refund the employer the €203.

COVID-19 Pandemic Unemployment Payment

This payment is available to employees and self-employed people who are unemployed or who have their hours of work reduced during the COVID-19 (Coronavirus) pandemic. This includes people who have been put on part-time or casual work.

The payment has a simple one-page application form and will be paid for a period of 6 weeks at a flat rate payment of €203 per week for jobseekers. It is designed to quickly deliver a social welfare payment to the unemployed and provide income security during the pandemic.

Individuals applying for the payment will be required to apply for the normal jobseeker's payments within this 6-week period. Once this normal jobseeker claim is subsequently received, the department will process these claims and make payments at that time. This will involve backdating increased payments for certain customers.

Self-Isolated

When a worker is told to self-isolate by a doctor or has been diagnosed with COVID-19 (Coronavirus) by a doctor, they can apply for an enhanced Illness Benefit payment of €305 per week. To be eligible for this payment a person must be confined to their home or a medical facility.

Workers whose employers do not supplement/top-up the State Illness Benefit payment

Workers in receipt of the enhanced illness benefit payment who still face financial distress because their employer fails to pay sick pay beyond the level paid by the State, can apply for additional emergency income support, in the form of Supplementary Welfare Allowance which is based on a means test.

Basic Supplementary Welfare Allowance is a weekly allowance paid to people who do not have enough income to meet their needs and those of their families.

Age	Maximum personal rate	Increase for a qualified adult	Increase for a qualified child
Aged 25 and over	€201.00	€134.70	Under 12 Years €36.00 12 years and over €40.00
Aged 18-24	€112.70	€112.70	n/a

Workers who are requested to stay at home by their employer (COVID-19)

Employers are requested to follow public health advice and should not ask staff to stay away from work except in accordance with this advice. Where employers send staff home in circumstances where they are not advised to do so, it is expected that they will continue to pay staff as normal.

Workers who need to take time off work to care for a person affected by COVID-19

An employee is entitled to paid leave, known as ‘force majeure leave’ to provide urgent care for an immediate family relative such as a child, spouse, brother, sister, parent or grandparent. It is also available to a partner who is living with the employee. Force majeure is limited to a total of three days in a 12-month period or five days in a 36-month period. In the exceptional circumstances of Covid-19 it is expected that employers will, if at all possible, facilitate people by allowing them to take the full 5 days entitlement in one block, as required.

Parents are entitled, with 6 weeks’ notice, to take up to 22 weeks unpaid parental leave to care for each child up to 12 years of age (16 years of age in the case of a child with a disability). Parents are also entitled, with 6 weeks’ notice, to take parents leave of 2 weeks for each child under 1 year of age born on or after 1 November 2019.

Revenue

Revenue announced that *payment of interest on late payments is being suspended for the current VAT and PAYE periods. Debt enforcement is also being suspended until further notice, and no business will lose its tax clearance status for “the coming months”.*

- This will allow businesses to set aside certain tax obligations for the time being, providing critical cash flow flexibility during this time.
- This applies to SMEs with a turnover of less than €3 million. Revenue has advised that other businesses should contact them directly to discuss their case.
- Social Welfare Supports
- *Where employers, who have ceased trading because of the impact of social distancing, continue to pay workers they will be able to claim refunds from the Department of Employment Affairs & Social Protection.*

- This refund will be for €203 per worker per week. Government has asked that employers, if at all possible, continue to pay their employees during this period, at least at the jobseeker rate of €203 per week.
- This will keep a link between employees and employers and will ease pressure on social welfare services.
- If you are *self-employed* and have lost employment due to the coronavirus, the Covid-19 Pandemic Unemployment Payment is now available.

Microfinance Ireland & SBCI

- The €200m SBCI COVID-19 Working Capital Scheme for eligible businesses will be available within the next week.
- Maximum loan size will be €1.5 million (first €500,000 unsecured) and the maximum interest rate will be 4%. Applications can be made through the SBCI website at sbci.gov.ie.
- Microenterprises (any business with less than 10 employees and an annual turnover of up to €2m) may apply for a Covid-19 Business Loan from Microfinance Ireland.
- However, the promised Covid-19 Working Capital Scheme, to be provided by the Strategic Banking Corporation of Ireland, is still being finalised and details are awaited.

Banks

Support for bank borrowers

Following negotiations with the banks, the Government announced an agreement that they will put in place the following measures:

- Flexible arrangements, including a payment break for mortgages and other loans. Customers affected by COVID-19 must contact their bank to discuss the flexibility available to them, including the possibility of a payment break of up to 3 months.
- Support for buy-to-let bank customers with tenants affected by COVID 19 – customers with rental property in which the tenants are adversely impacted by COVID-19 will also be provided with flexibility including with an opportunity to seek a payment break of up to 3 months, which will allow them to exercise due levels of forbearance to their tenants.
- Extensive supports for SME customers – banks are working to ensure a wide range of credit, cash flow and supply chain supports are offered to businesses who are trying to manage the pressures arising from COVID-19. A deferral of up to 3-months on loan repayments will be of assistance to many businesses in addition, the banks are adopting a customer-focused approach to these businesses with a wide variety of tailored supports including extensions of credit lines, risk guarantees, and trade finance

Stamp Duty

The Minister has decided to defer the collection of stamp duty on credit cards to July, which is normally levied in April.

Housing

The Government will announce a temporary ban on evictions, for an initial period of three months, while the Covid-19 crisis is ongoing. This also includes a temporary ban on rent increases. Additionally, other measures to support residential tenants by Irish Institutional Property (IIP) landlords will include:

- Notice to leave by IIP member landlords will be temporarily suspended for impacted tenants experiencing short term financial stress as a result of the COVID-19 crisis.
- IIP landlords will develop protocols to support impacted tenants experiencing short-term financial stress. This will include deferrals of rent payments, payment plans, etc.
- IIP landlords will suspend any pending rent increases during the acute phase of the COVID-19.
- IIP landlords are encouraging tenants who are significantly impacted as a result of this crisis situation to make contact with them as soon as possible. IIP landlords will put in place telephone and online contact support for impacted tenants to communicate details of the assistance available from Government and the sector.
- If tenants who are currently in the process of moving wish to suspend their plans, IIP landlords will support them with continuing accommodation provision.
- IIP members will work to support the supply of the 'self-isolation' accommodation needs of government.

These measures will be introduced for the following companies: Cairn plc, Dalata Hotel Group plc, Glenveagh Properties plc, Green REIT Ltd (Henderson Park), Hammerson, Hibernia REIT, Hines Real Estate Investments, I-Res REIT plc, Kennedy Wilson, Multi Corporation.

Energy

The Commission for Energy Regulation, which oversees the energy market, has ordered increased emergency credit for households in need, with a moratorium on disconnections until March 29th at least.

International measures to support business & employers

Canada will spend up to \$82 billion, including \$27 billion in direct support for Canadian workers and businesses. To help prevent layoffs, the government is also eyeing a measure that would provide businesses struggling with the economic impact of COVID-19 with a subsidy equal to 10 per cent of employee wages, up to \$1,375 per employee and \$25,000 per employer. The Canadian government will allow businesses to defer payments of income tax amounts until after Aug. 31. No interest or penalties will accumulate.

The government will also increase the tax credits available to small, medium and large businesses including a new Business Credit Availability Program, which will provide more than \$10 billion in additional support to businesses through the Business Development Bank of Canada and Export Development Canada.

The government said it will also “further expand Export Development Canada’s ability to provide support for domestic businesses, and provide flexibility on the Canada Account limit, so the government can support Canadian businesses of national interest.” The government will also augment the credit available to farmers and the agri-food sector through Farm Credit Canada.

The **Australian** government has introduced two business investment measures designed to assist Australian businesses and economic growth in the short term, and encourage a stronger economic recovery following the Coronavirus outbreak. This includes increasing the instant asset write-off threshold from \$30,000 to \$150,000 and expanding access to include businesses with aggregated annual turnover of less than \$500 million (up from \$50 million) until 30 June 2020. The Australian government is also introducing a time-limited 15 month investment incentive (through to 30 June 2021) to support business investment and economic growth over the short term by accelerating depreciation deductions. Businesses with a turnover of less than \$500 million will be able to deduct 50 per cent of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of the asset’s cost. These two measures will support over 3.5 million businesses (over 99 per cent of businesses) employing more than 9.7 million employees. There will also be assistance to support businesses to manage cash flow challenges resulting from the economic impacts of the Coronavirus and help businesses retain their employees. A Boosting Cash Flow for Employers measure will provide up to \$25,000 back to small and medium-sized businesses, with a minimum payment of \$2,000 for eligible businesses. The payment will provide cash flow support to businesses with a turnover of less than \$50 million that employ staff. The payment will be tax free. This measure will benefit around 690,000 businesses employing around 7.8 million people. The Government is also supporting small business to retain their apprentices and trainees. Eligible employers can apply for a wage subsidy of 50 per cent of the apprentice’s or trainee’s wage for up to 9 months from 1 January 2020 to 30 September 2020. Where a small business is not able to retain an apprentice, the subsidy will be available to a new employer that employs that apprentice. This measure will support up to 70,000 small businesses, employing around 117,000 apprentices.

France has been bold in its approach to support employers so far, promising that no company will be allowed to fail as a consequence of the disease that has prompted businesses large and small to suspend operations. The government will guarantee hundreds of billions worth of loans, delay tax payments and suspend rent and utility bills for smaller firms. And the French government has said it is ready to go further, nationalizing industries if necessary.

Measures to support start-ups include:

- Social charges and tax payments due in March will be pushed back automatically.
- Companies can request to defer payments of social charges and taxes beyond March.
- If customers owe money for a while, businesses can ask for a mediator to be appointed to help recover the funds.
- If employers can't make debt payments or loan insurance fees, they can ask for a state-backed credit mediator to intervene to help convince the bank.
- Businesses can ask for a loan directly from state-backed investor Bpifrance or ask for its backing as a guarantor to get a loan from the bank.
- Temporary unemployment measures will be extended to all companies, allowing them to cut back employees' hours without straight layoffs. In short: if your company is suffering from a sharp decrease in activity, you can cut back on your employees' hours worked per week. You keep paying them most of their full salary still and can apply for the government to reimburse at least part of that.

Germany is mobilizing at least €500 billion (\$550 billion) in loan guarantees and has pledged to provide unlimited liquidity to companies affected by the pandemic, part of a raft of measures that finance minister Olaf Scholz described last week as a "bazooka." The country will also make it easier for companies to access loans made by the state development bank and delay tax payments for struggling businesses.

"Due to the high degree of uncertainty in the current situation, the government has very deliberately decided to not set any limits on the volume of these measures," the German government said. "If there are any signs of a serious disruption to the economy, the German government ... will use all resources available to counter this forcefully."

Measures to support small businesses include:

- Germany has pledged unlimited liquidity assistance to companies that need cash, in the form of loans provided by KfW, the state development bank.
- Companies can request to defer tax payments.
- Germany voted in a law expanding its short-time work scheme called Kurzarbeit. Under it, companies that implement reduced hours for their workers can receive state support. This gives businesses an alternative to straight firings.
- There are plans to change bankruptcy rules, or at least suspend them for several months, to give companies more leeway on the obligation to file for bankruptcy.

Spain's prime minister has unveiled a €200 billion (\$220 billion) rescue package and said the government would provide all capital necessary to prevent companies from going bankrupt. Some measures include:

- Possibility of deferring tax payments for small and medium businesses and the self-employed. To do that, you must follow the instructions released by the Spanish Tax Agency.
- Payments can be postponed on loans granted by the General Secretariat for Industry
- State-backed lender Instituto de Credito Oficial has been given extra means to hand out loans to companies and freelancers in the most affected sectors, including tourism and transport.

The **United Kingdom** finance minister Rishi Sunak belatedly announced that the government will back an initial £330 billion (\$400 billion) in loans for companies. Mortgage providers have agreed to delay payments for three months for people affected by the coronavirus, he said.

Key measures include:

- Small companies which cannot afford to pay their tax bills can ask HM Revenue and Customs for a “time to pay” agreement which would suspend debt collection. During the coronavirus outbreak the usual 3.5% annual interest on deferred tax payments will be waived.
- The government is offering to underwrite loans to businesses adversely affected by the coronavirus outbreak. The scheme will be delivered by the British Business Bank, a state-owned wholesale bank.
- Small companies will be able to reclaim the cost of 14 days of sick pay — just under £200 — per employee. However, the government has cautioned that they may have to wait months for reimbursement because it has yet to set up a repayment mechanism.
- The smallest businesses in the country across all sectors of the economy will be able to seek grants worth £10,000.
- The government said it would also provide tax breaks and other measures worth £20bn to protect companies and households suffering amid the economic collapse triggered by the virus.
- The government also announced loans to support business with an initial £330bn of guarantees — equivalent to 15% cent of UK GDP. Householders will get a three month mortgage policy.

United States

The Trump administration on Wednesday broadened the government’s response to the coronavirus pandemic and spelled out the first details of a \$1 trillion economic package, including \$500 billion in loans for businesses. It will extend loans to small businesses equaling six weeks of their payroll up to \$1,540 per employee, on the condition that the companies must keep paying their employees for eight weeks after receiving the loan. It also called for \$50 billion for secured loans for the airline industry and another \$150 billion for secured loans or loan guarantees for other sectors of the economy that have been devastated by the global economic shutdown as the virus spreads.

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