



Our ref: FIN-MO-00839-2020

16th April 2020

Mr Niall Cody
Chairman
Revenue Commissioners
Dublin Castle
Dublin 2

Dear Chairman

I wish to refer to the Temporary Wage Subsidy Scheme provided for by section 28 of the Emergency Measures in the Public Interest (Covid-19) Act 2020.

Section 28 of that Act makes provision for the Minister for Finance to determine the amount of the temporary wage subsidy, with the consent of the Minister for Employment Affairs and Social Protection, given with the concurrence of the Minister for Public Expenditure and Reform, and different amounts of temporary wage subsidies may be so determined in relation to different classes of employee.

In accordance with section 28 of that Act, I, Paschal Donohoe, Minister for Finance, have made the following determinations:

For employees whose Average Revenue Net Weekly Pay (ARNWP) is not more than €586 per week, the amount of the temporary wage subsidy shall not exceed €410 per week in accordance with the following principles:

- An 85% subsidy shall be payable in the case of employees whose ARNWP does not exceed €412;
- A flat rate subsidy of up to €350 shall be payable in the case of employees whose ARNWP is more than €412 but not more than €500;
- A 70% subsidy shall be payable in the case of employees whose ARNWP is more than €500 but not more than €586, with the maximum cap of €410 applying.

Subject to one exception, tapering of the subsidy shall apply to all cases where the gross pay paid by the employer plus the subsidy amount exceeds the previous average net weekly pay. The exception is where an employer wishes to pay more than 15% of pre-Covid-19 crisis pay such that the employer contribution by way of normal wages plus the temporary wage subsidy brings the new salary of the employee to €350 per week. In such cases, any tapering of the temporary wage subsidy that would otherwise have applied shall not be applied.

For employees whose net pay is greater than €586 per week but not more than €960 per week, the temporary wage subsidy shall not exceed €350 per week, and shall be calculated with reference to the gross salary paid by the employer and its effect on net average wages as follows:

- A subsidy of €350 shall be payable to employees with average net weekly pay greater than €586, where the employer pays sufficient gross salary which equates to an amount up to 60% of the employee's net weekly earnings;

- A subsidy of €205 shall be payable to employees with average net weekly pay greater than €586, where the employer pays sufficient gross salary which equates to an amount that is more than 60% but not more than 80% of the employee's net weekly earnings;

No subsidy shall be payable to employees with average net weekly pay greater than €586, where the employer pays sufficient gross salary which equates to an amount that is more than 80% of the employee's net weekly earnings.

In accordance with subsection (6)(f) of section 28 of the Emergency Measures in the Public Interest (Covid-19) Act, a temporary wage subsidy is not payable to an employer in relation to any employee whose net weekly emoluments is in excess of €960.

These determinations shall apply as respect the payment of wages by employers on payroll dates on or after the date to be published by the Revenue Commissioners for this purpose on their website, where the requisite payroll notification for that payroll run was received by the Revenue Commissioner on or after the date so published. Thus, no back-dating of any increased subsidy shall be permitted.

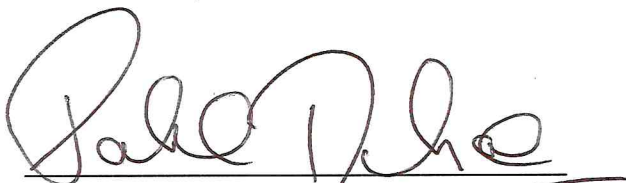
I would appreciate if you could put the appropriate arrangements in place to give effect to these determinations and make the necessary payments as soon as possible. I note that section 28 of the Emergency Measures in the Public Interest (Covid-19) Act 2020 provides that the Temporary Wage Subsidy Scheme shall be administered under the care and management of the Revenue Commissioners in similar manner to the way the Taxes Consolidation Act 1997 provide that taxes and duties shall be under the care and management of the Commissioners. In that context, I would be grateful if you would confirm that, pending the necessary amendment of subsection (6)(d) of section 28 of the Emergency Measures in the Public Interest (Covid-19) Act 2020, the Revenue Commissioners will operate that subsection as if the reference therein to "70 per cent" were a reference to "85 per cent" in order to secure the operation of the increase to 85% of the subsidy for those employees whose ARNWP does not exceed €412.

For clarity, I confirm that for the purposes of the operation of the scheme, the ARNWP is the employee's Average Net Weekly Pay for January and February 2020 based on payroll submissions made to the Revenue Commissioners by the employer.

In addition, I would appreciate if I could continue to be kept informed on the progress of payments made under the scheme.

Finally, I would also like to express my appreciation for your assistance in getting this scheme operational and people into payment so promptly.

Yours sincerely



Paschal Donohoe TD
Minister for Finance and Public Expenditure and Reform