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COVID-19 & Payroll:
What Employers Need To Know

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Welcome
to today's webinar

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COVID-19 & Payroll:
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Employer & Employee Rights

People's health and well-being should be at the heart of every employer's response to COVID-19.

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COVID-19 & Employer Rights

Keep up to date with Government and public health advice

Engage all employees to use basic but effective ways to help prevent the spread of COVID-19

Be aware of what happens if employees do have COVID-19 symptoms

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COVID-19 & Employer Rights

COVID-19 Income Support Scheme:

- Temporary Wage Subsidy
- Pandemic Unemployment Payment
- Increased Illness Benefit

Short term cash flow support:
Business Continuity Voucher

Additional Resource

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COVID-19 & Employee Rights

Employees with COVID-19 symptoms:

- Should not go to work
- May be entitled to sick pay
- Income support - Illness Benefit

Illness Benefit - €350 per week

- Maximum of 2 weeks if self-isolating
- Maximum of 10 weeks if diagnosed

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COVID-19 & Employee Rights

Employees should work from home where possible

Employment rights during COVID-19

Employee annual leave entitlements

More information on these throughout the webinar

Additional Resource

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Putting Staff on Layoff

As a result of the recent business closures, many employees have been laid-off.

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Layoff or Redundancy?

Layoff - a temporary measure - the individual is still an employee but not receiving any remuneration

Normally the employee will return to their previous role on the same terms and conditions

An employee's length of service is not impacted by the layoff

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Layoff or Redundancy?

Redundancy - when the employee loses their job permanently due to a business closure / reduction in work

Typically, an employee may claim statutory redundancy where a layoff situation lasts for:

- 4 weeks or more
- 6 weeks in the last 13 weeks

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COVID-19 & Redundancy

Legislation on claiming redundancy has been changed during COVID-19

Employees who have been laid off during the emergency period are not able to claim redundancy

Emergency Period:
13 March 2020 to 31 May 2020

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Putting staff on layoff

Employers should give employees notice in writing that they will be put on layoff

Best practice is for employees to have a layoff clause in their contract

Consider a temporary layoff clause or letter getting confirmation from the employee to the layoff

Additional Resource

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Layoffs & Annual Leave

Employees on layoff will accrue public holidays but not annual leave

Accrued annual leave remains intact during layoff– employers should not pay employees in lieu

Try to be flexible in terms of allowing an employee to carry over leave

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COVID-19 & Short Time Work

Working hours reduced to 3 days or less – Short time Work Support

Payment is made in respect of your regular salary for the days you are no longer working

Employers working short-time continue to accrue annual leave

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COVID-19 Pandemic Unemployment Payment

Available to employees and the self-employed who have lost their job due to the COVID-19 pandemic.

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COVID-19 Pandemic Unemployment Payment

Available to employees and employers who have lost their job on or after 13th March due to the COVID-19 pandemic

Paid at a flat rate of €350 per week for the duration of the pandemic

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COVID-19 Pandemic Unemployment Payment

- ✓ Aged 18 – 66 and lost your employment due to COVID-19
- ✓ Students, non-EEA nationals, part-time workers, casual workers
- ✓ Working casually and became fully unemployed
- ✓ Voluntary unpaid leave due to school / childcare closure

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COVID-19 Pandemic Unemployment Payment

- ✗ You cannot claim if you are continuing to get income from your employment
- ✗ You cannot claim if you voluntarily left your employment (except to look after children)
- ✗ If diagnosed or self-isolating, apply for Illness Benefit: Increased to €350

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Temporary COVID-19 Wage Subsidy Scheme

Available to employers who may wish to receive financial support so that they can continue paying their employees.

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Temporary COVID-19 Wage Subsidy Scheme

- ✓ Must be experiencing significant negative economic disruption due to COVID-19
- ✓ Must be able to demonstrate a minimum 25% decline in turnover
- ✓ Must be unable to pay normal wages and normal outgoings fully
- ✓ Must retain employees on the payroll

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Temporary COVID-19 Wage Subsidy Scheme

Operating from 26th March 2020 and expected to last for 12 weeks

Restricted to employees who were on the employer's payroll as at 29 February 2020

A payroll submission must have been made to Revenue from 1 February 2020 to 15 March 2020

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Temporary COVID-19 Wage Subsidy Scheme

Replaces the previous COVID-19 Employer Refund Scheme

Do not need to re-register if you have already applied for the Employer Refund Scheme

If you wish to register, you can do so through myEnquiries

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Wage Subsidy Scheme

Employee Payments

Employers can pay 70% of the employee's average weekly net pay as a non-taxable payment

Employer will receive a refund from Revenue within 2 working days after receipt of the PSR

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Wage Subsidy Scheme

Employee Payments

The payment is capped at:

- €410 per week where the average net weekly pay is less than or equal to €586
- €350 where the average net weekly pay is greater than €586 and less than or equal to €960

Greater than €960 – excluded from the subsidy scheme

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Wage Subsidy Scheme

Employee Payments

Where an employees salary exceeded €960, but their current pay represents a reduction:

- 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 available

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Wage Subsidy Scheme

Employee Payments

Period for calculating an employees average weekly earnings: January & February 2020

BrightPay – calculations are automated in the software

Thesaurus – software includes an average pay calculator

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Wage Subsidy Scheme

Top Up Payments

Employer top up payments cannot be greater than the employees average net weekly pay

The subsidy will be tapered where the payment is more than the permitted amount

Top up payments are taxable and USC-able

Processed under PRSI Class J9

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Wage Subsidy Scheme

Phases of the scheme

Transitional Phase - 26th March to 3rd May

- Employers must work out the payment that can be made
- Revenue will refund €410 per week per employee & perform a reconciliation later for overpayments

Operational Phase - From 4th May

- Revenue will inform employer how much they can pay

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Temporary COVID-19 Wage Subsidy Scheme

The wage subsidy may result in a tax/USC refund to the employee

Tax/USC refunds can be re-paid by the employer, and the employer will be reimbursed by Revenue

Duplicate support cannot be claimed for an employee from DEASP i.e. Pandemic Unemployment Payment and Wage Subsidy Scheme

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How BrightPay & Thesaurus can facilitate remote working

Although BrightPay & Thesaurus are a desktop solutions, they are very flexible and can facilitate working from home.

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Remote Working with BrightPay & Thesaurus

BrightPay & Thesaurus can be installed on up to 10 different PCs

Payroll files can be accessed remotely through cloud environments such as Dropbox or Google Drive

Allows you to continue to process the payroll as normal

Additional Resource

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How Connect's online portals can help

Connect is proving to be hugely beneficial and enables full business continuity with secure communications.

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How Connect can help

Automatic cloud backup – access payroll info anywhere, anytime

Remotely manage employee's leave, upload employee documents and send communications to employees

Connect enables full business continuity with secure employee communications

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How Connect can help

Upload documents and resources to distribute to employees

Distribute mission critical documents employee entitlements and updated contracts and policies

Notify employees of important announcements which can be viewed on the employee's smartphone app

Additional Resources

Business Continuity Voucher:
https://www.localenterprise.ie/Portal/response/Business-Continuity-Voucher/Business-Continuity-Voucher.html

Employment Rights:
https://www.gov.ie/en/publication/dfeb8f-list-of-essential-service-providers-under-new-public-health-guidelin/

Sample Employee Layoff Letter:
https://www.thesaurus.ie/Template_Layoff_Letter.docx

BrightPay's COVID-19 Resources Hub:
https://www.brightpay.ie/pages/covid-19-resources

Working Remotely with BrightPay:
https://www.brightpay.ie/guides/BrightPay%20IE%20Covid-19.pdf

Working Remotely with Thesaurus Payroll Manager:
https://www.brightpay.ie/guides/Thesaurus%20Covid-19.pdf

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Questions & Answers

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