

REVENUE

Tax

Returns: businesses experiencing temporary cash flow difficulties should continue to send in tax returns on time. Revenue have committed to working with businesses in relation to payment plans and deferral of payments.

Application of Interest:

The application of interest on late payments is suspended for January/February 2020 VAT and both February and March 2020 PAYE (Employers) liabilities. Revenue will issue guidance on future returns as time passes on.

Debt Enforcement:

All debt enforcement activity is suspended until further notice.

Tax Clearance:

Current tax clearance status will remain in place for all businesses over the coming months.

Information for Subcontractors

RCT (Relevant Contract Tax)

The RCT rate review scheduled to take place in March 2020 is suspended. This process assesses the current compliance position of each subcontractor in the eRCT system and determines their correct RCT deduction rate, i.e. 0%, 20% or 35%. As this process may result in a subcontractor's RCT rate increasing due to changes in their compliance position, the review is suspended.

Subcontractors and agents are reminded that RCT rate reviews can be self-managed in ROS. Subcontractors can check if their rate should be lower and can then 'self-review' to get that lower deduction rate.

Employers, Employees & Self-Employed Individuals

The Department of Employment Affairs and Social Protection are introducing measures to provide income support to people affected by COVID-19.

3 major changes have been announced:

1. The current 6-day waiting period for illness benefit will not apply to anyone who has COVID-19 (Coronavirus) or is in medically required self-isolation.
2. The personal rate of illness benefit will increase from €203 per week to €305 per week for a maximum of 2 weeks medically required self-isolation for the full duration of absence from work following a confirmed diagnosis of COVID-19 (Coronavirus).
3. The normal social insurance requirements for illness benefits will be changed.

The enhanced arrangements are intended to reduce the financial loss incurred by workers, employed and self-employed people who are not adequately covered by occupational sick pay arrangements.

Practical Applications of these initiatives

- 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 medical facility.
- If your employer asks you to stay at home as a precaution or puts you on a period of lay-off and does not continue to pay your wages, you can apply for income support in the form of Jobseeker's Payment or Supplementary Welfare Allowance.
- Any person requested to stay at home by their employer as a precaution against the spread of Covid-19 will in situations where the employer cannot continue to pay their wages, be considered to have been temporarily laid-off and can apply for an income support in the form of a Jobseekers Payment or Supplementary Welfare Allowance.

- Laid-off temporarily or reduced hours employees who are laid-off temporarily, without pay, due to a reduction in business activity, can apply for a Jobseekers Payment.
- Employees who are put onto short-time working by their employer due to a reduction in business activity related to Covid-19 may apply for a Short Time Work Support payment. You must complete a Jobseeker's Payment Form and your employer must either confirm in writing that you won't be paid, or the employer can complete this form online.

[The government announced a temporary refund scheme for employers that have been forced to close to help delay the spread of Covid-19. Under the scheme employers are being asked, where possible to pay workers at least the equivalent jobseeker's rate of €203 per week during a 6-week period. The employer can then claim a refund for the payments under the temporary scheme.](#)

BANKING

Both Bank of Ireland and Ulster Bank have announced that they will offer payment breaks and deferrals of mortgage repayments for customers impacted by the Coronavirus outbreak. It is likely all the other financial institutions will follow suit any may extend this to other loans.

GOVERNMENT SUPPORTS

A number of supports have been announced. The application process for some does not seem to be activated yet but we would expect they will be soon.

- A €200m Strategic Banking Corporation of Ireland (SBCI) Working Capital Scheme for eligible businesses affected by Covid-19. Loans of up to €1.5m will be available at reduced rates, with up to the first €500,000 unsecured. Applications can be made via the SBCI website.
- A €200m package for Enterprise Supports, available through Enterprise Ireland, for vulnerable but viable firms that need to restructure or transform their businesses.

- An increase in the maximum loan available from MicroFinance Ireland (MFI) from €25,000 to €50,000, as an immediate measure to specifically deal with the exceptional circumstances that micro-enterprises are facing (i.e. sole traders and firms with up to 9 employees). Applications can be made through the MFI website.
- The Credit Guarantee Scheme will be available to impacted businesses through the pillar banks, with loans of up to €1m available for terms up to 7 years.
- The Department of Employment Affairs and Social Protection (DEASP) and DBEI will provide a joint first responder support service through the Intreo Offices, Enterprise Ireland and IDA Ireland in each region to provide tailored supports to impacted firms, with the objective of avoiding mass lay-offs and buying firms time to work through short-term disruption.
- The range of Enterprise Ireland, IDA Ireland, Local Enterprise Office and Údarás na Gaeltachta supports will be available to help strategies to diversify markets and supply chains and improve competitiveness.
- Local Enterprise Offices in every county will be providing vouchers from €2,500 to €10,000 (with 50:50 match funding) to support business continuity preparedness, innovation and productivity.

Remember, we are here for you so please contact us with any queries. Above all, stay safe and well.