



# COVID-19 Country Updates

7<sup>th</sup> May 2020

# HOUSEKEEPING



Live stream and recorded



Questions in the Q&A box



Slides and recording available after the webinar

# Introductions



## **Emma Meehan, Senior Manager Global Payroll & Tax, Immedis**

- Emma is a Chartered Tax Advisor with the Irish Tax Institute and previously graduated from University College Dublin with a Bachelor of Business & Legal Studies.
- Emma oversees the tax compliance function at Immedis and specialises in the management of tax compliance for globally mobile employees.
- She also has experience in advisory tax services for international companies with focus on employment tax, social security and other global mobility tax issues.

## **Petya Petrova, Global Payroll & Tax Manager, Immedis**

- Petya is a member of the Association of Taxation Technicians.
- She is currently a Chartered Tax Accountant student at the CIOT specialising in Human Capital Taxes and Individual taxation.
- Petya has been working in global mobility for 8 years and manages the UK Tax Compliance Subdivision in Immedis.



## **Carrie Grant, Global Payroll & Tax Manager, Immedis**

- Carrie is a Full Member of Accounting Technicians Ireland and holds a Diploma in Taxation with Chartered accountants Ireland.
- She has successfully completed the first stage of the Chartered Tax Consultant Exams with Chartered Accountants Ireland.
- Carrie is also expanding her tax technical experience to further her career in US taxation by also studying for the US Enrolled Agent exams, which she plans to sit later this year.

# Agenda

1 Ireland

2 United Kingdom

3 United States

4 Keeping updated via our blog

5 Q&A



# COVID-19 Country Updates

Due to COVID-19, government authorities across the globe are introducing new measures that have implications for both payroll and tax. It's vital to stay informed of changes during these times.

We at Immedis are here to support in sharing relevant information as we all navigate this ever-changing situation. Be sure to keep up to date with official sources for the most recent information.



# Ireland

## Topics for Discussion

- Pandemic Unemployment Payment
- Temporary Wages Subsidy Scheme
  - Transitional Phase
  - Operational Phase
- Benefit In Kind Updates
- Working from Home
- Other Revenue Guidance



# Pandemic Unemployment Payment

## ***What is it?***

This was the first income support measure introduced by the Government. The payment of €350 per week (initially €203 per week) is available to employees and the self-employed who have lost their job on (or after 13 March) due to the COVID-19 pandemic. The scheme will remain in place until at least 8 June.

## ***Qualification Criteria – all must be met:***

- aged between 18 and 66 years old
- currently living in the Republic of Ireland
- have lost your job due to the COVID-19 pandemic **or** have been temporarily laid off due to the COVID-19 pandemic
- worked in the Republic of Ireland or were a cross border frontier worker
- are not in receipt of any employment income



WE CANNOT WAIT TO  
SEE YOU AGAIN.  
STAY SAFE.





# Pandemic Unemployment Payment

## ***Payment Options:***

- Payment is made by electronic transfer to accounts held in Irish financial institutions.
- Those who are applying from 8 April 2020 can also choose to collect their payment in a post office.

## ***Applying:***

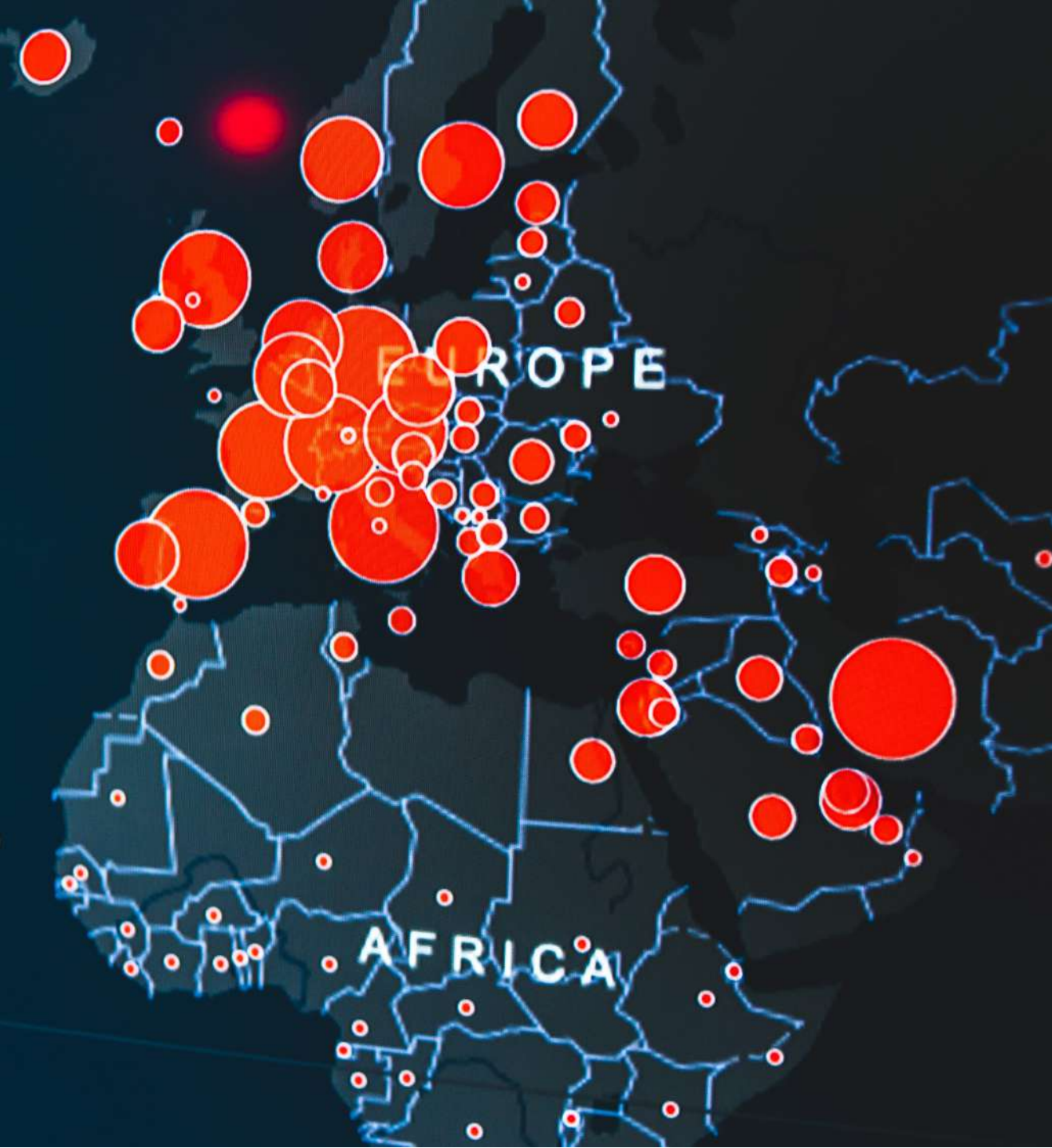
- The quickest and easiest way to apply for the emergency COVID-19 payment is by applying online at [mywelfare.ie](https://mywelfare.ie).



# Temporary Wage Subsidy Scheme (TWSS)






When introduced on 26 March 2020, the scheme was expected to last 12 weeks – 30 June 2020

- 
- The scheme enables employers to provide employees with significant financial support directly through the payroll system
  - Confined to employees who were on the employer's payroll as at 29 February 2020, and for whom a payroll submission was made to Revenue by 15 March 2020
  - Transitional Phase – 26 March to 4 May 2020
  - Operational Phase - 4 May 2020 onwards



# TWSS

## Employer Qualifying Criteria

-  Be experiencing significant negative economic disruption due to COVID-19
-  Be able to demonstrate to Revenue a minimum of 25% decline in turnover
-  Be unable to pay normal wages and outgoings in full
-  Will retain employees on the payroll
-  Make best efforts to maintain a significant, or 100%, income for the period of the subsidy.



# TWSS

## Key Points

- Eligible employers will be reimbursed for subsidy amounts paid to eligible employees and notified to Revenue via the payroll process.
- The reimbursement will, in general, be made within two working days after receipt of the payroll submission.
- Income tax and USC will not be applied to the subsidy payment made through the payroll.
- Employee PRSI will not apply to the subsidy or any additional payment by the employer.
- Employer's PRSI will not apply to the subsidy and will be reduced from 11.05% to 0.5% on the additional 'top-up' payment from the employer.
- The TWSS applies both to employers who make additional payments to their employees and those that are not in a position to do so.
- Subsidy will be liable to IT & USC on review at year end

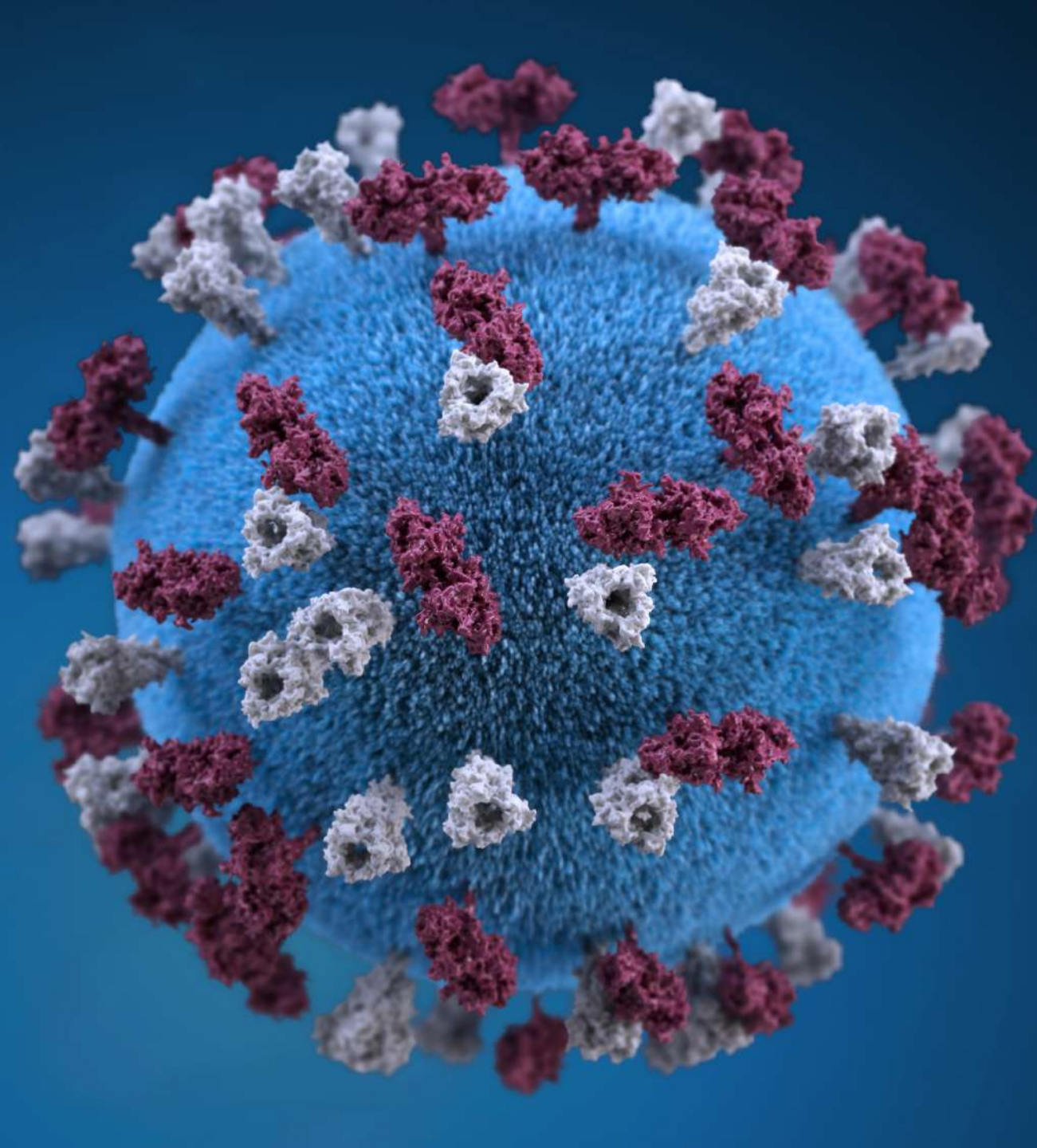


# TWSS

## Transitional Phase

- Transitional Phase: 26 March to 4 May 20202
- Full subsidy of €410 refunded to employer (ER) for each qualifying employee (EE)
- PRSI Class set to J9
- Subsidy of up to 70% of EE's net weekly pay up to:
  - Max of €410 p/w where Average Revenue Net Weekly Pay (ANRWP) is less than €586\* p/w, or
  - Max of €350 p/w where ARNWP is between €586 p/w - €960\* p/w
  - Subsidy entered as non-taxable amount
  - No Top Up – enter Gross Pay as €0.01
  - Top Up – include as Gross Pay

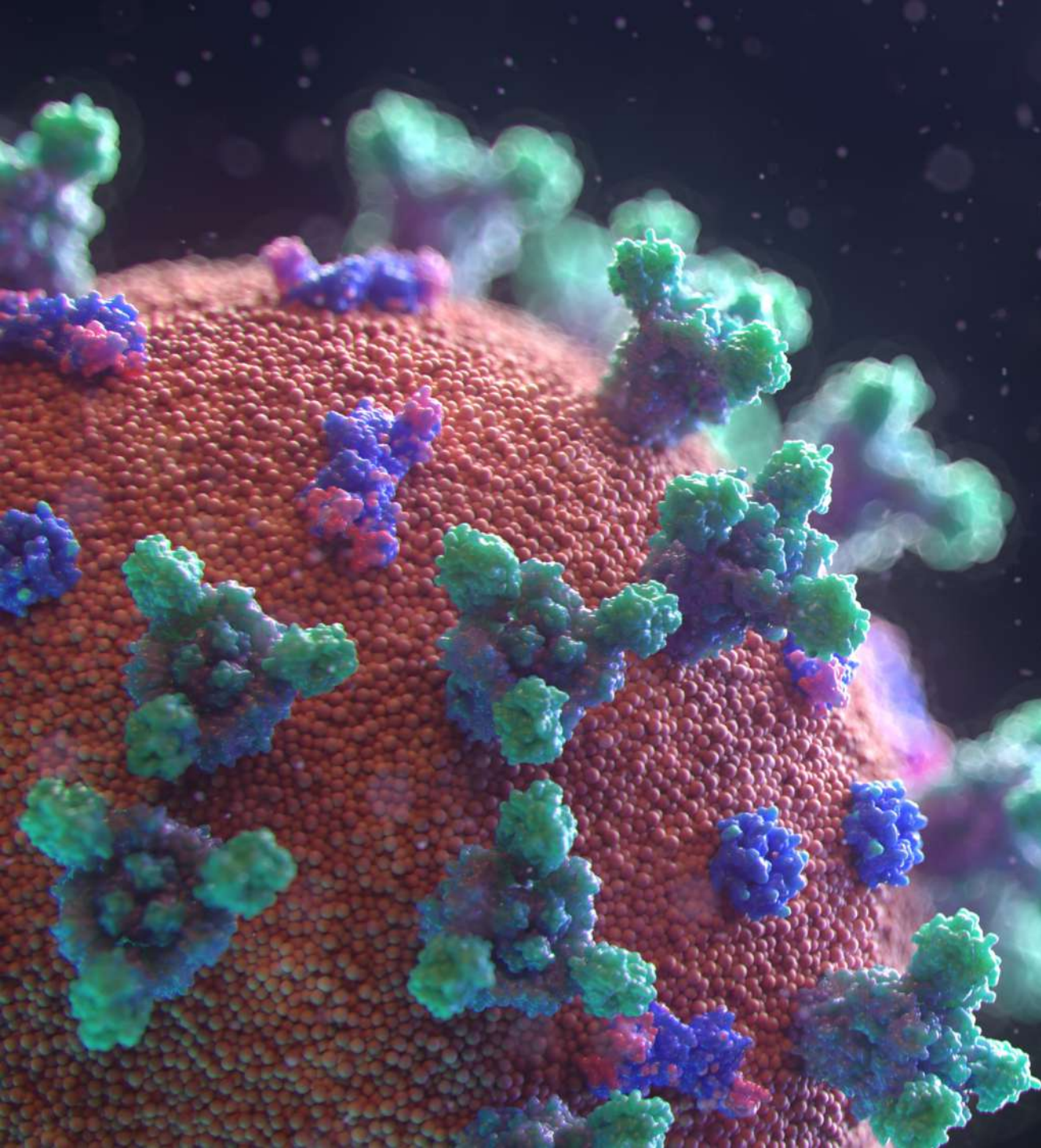
*\* equates to approx. €38,000 and €76,000 Gross Pay per annum*



# TWSS

## Operational Phase

- Operational Phase: effective 4 May 2020
- Revenue will calculate the Maximum Weekly Wage Subsidy (MWWS) for each EE based on their Average Revenue Net Weekly Pay (ARNWP) as per Revenue records
- This information was available to download from ROS for each EE on 4 May via a CSV file
- ERs that have temporarily laid off staff and ceased them on the payroll but who may be rehiring staff during May who will be eligible for the scheme, those EEs set up on the payroll **by 1 May**, were included on 4 May ER CSV file.
- J9 submissions for employees rehired after 1 May will be processed but rejected for refunding, further guidance expected on post 1 May rehires shortly.



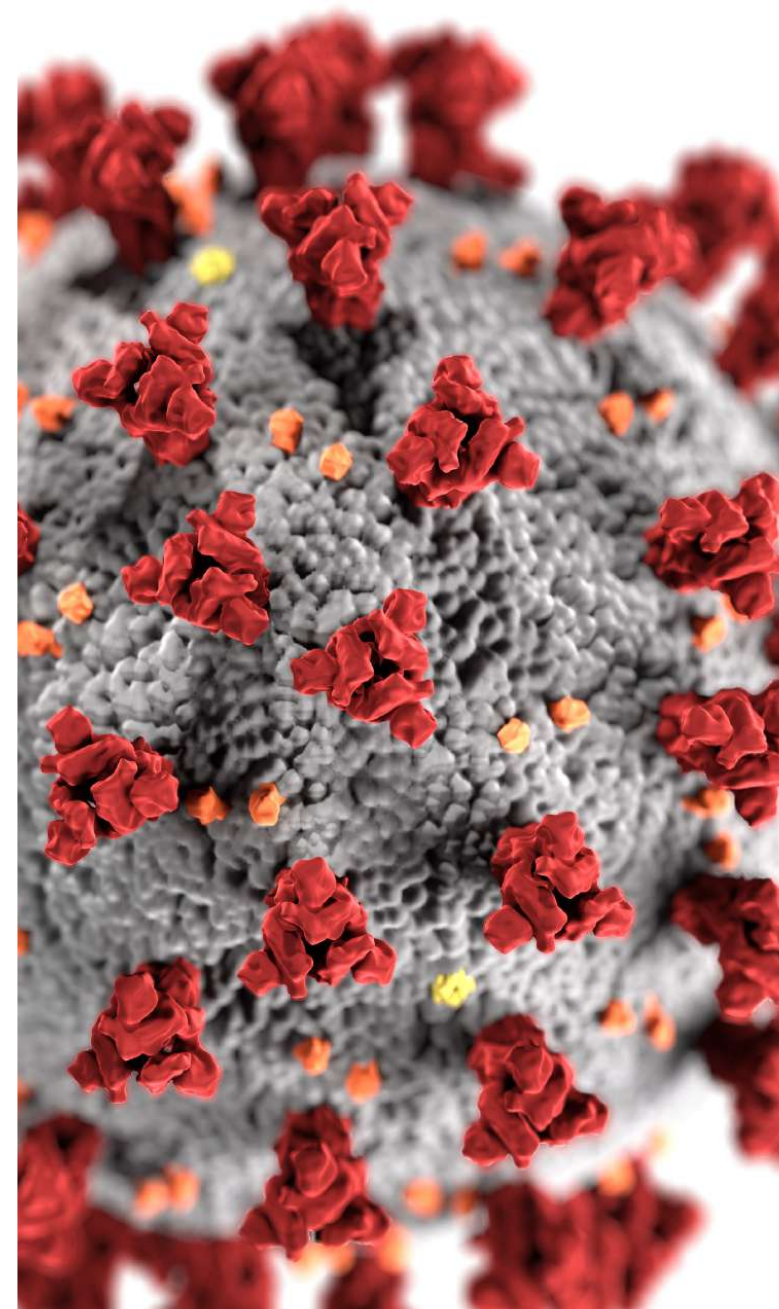
# TWSS

## Updates Effective as of 4 May 2020

- The subsidy will increase from 70% to 85% for employees with a previous average take home pay **below €412** per week
- Up to €350 per week for employees with a previous average take home pay **between €412 and €500** per week
- The subsidy remains the same for employees with a previous average take home pay of **between €500 and €586** per week, max cap of €410 still applies
- A tiered system has been introduced for employees with a previous average take home pay of **over €586** per week, max cap of €350 per week
- Employees who were taking home more than **€960 per week** may be eligible to participate in the scheme, subject to certain conditions being met.

# Information for Employers

- Look for updates on the Revenue Website [www.revenue.ie](http://www.revenue.ie)
- **Guidance on the TWSS – Revenue recently published Version 9 of the FAQ to include details of the Operational Phase of the TWSS**
- Includes updates on:
  - Information on the ER CSV file; how to download the file and implications of not using the information in the file
  - The wage subsidy rates effective from 4 May and subsidy tapering, with examples.
  - Future reconciliation of subsidy overpayments between 26 March and 4 May, e.g. €410 refunded exceeds subsidy due.
  - When is an EE is not an “eligible employee”.
  - If the additional Gross Pay plus the subsidy paid exceeds the ARNWP (or €960, whichever is the lesser), then the EE is not eligible for the scheme no refund will be paid to ER.
  - 10 worked examples to illustrate the calculation of the subsidy for different levels of Average Revenue Net Weekly Pay (ARNWP) and how the tiering and the tapering of the subsidy applies.
  - *Sample Subsidy Calculator* - excel format which can be used as a guide to calculate amount of EE subsidy due





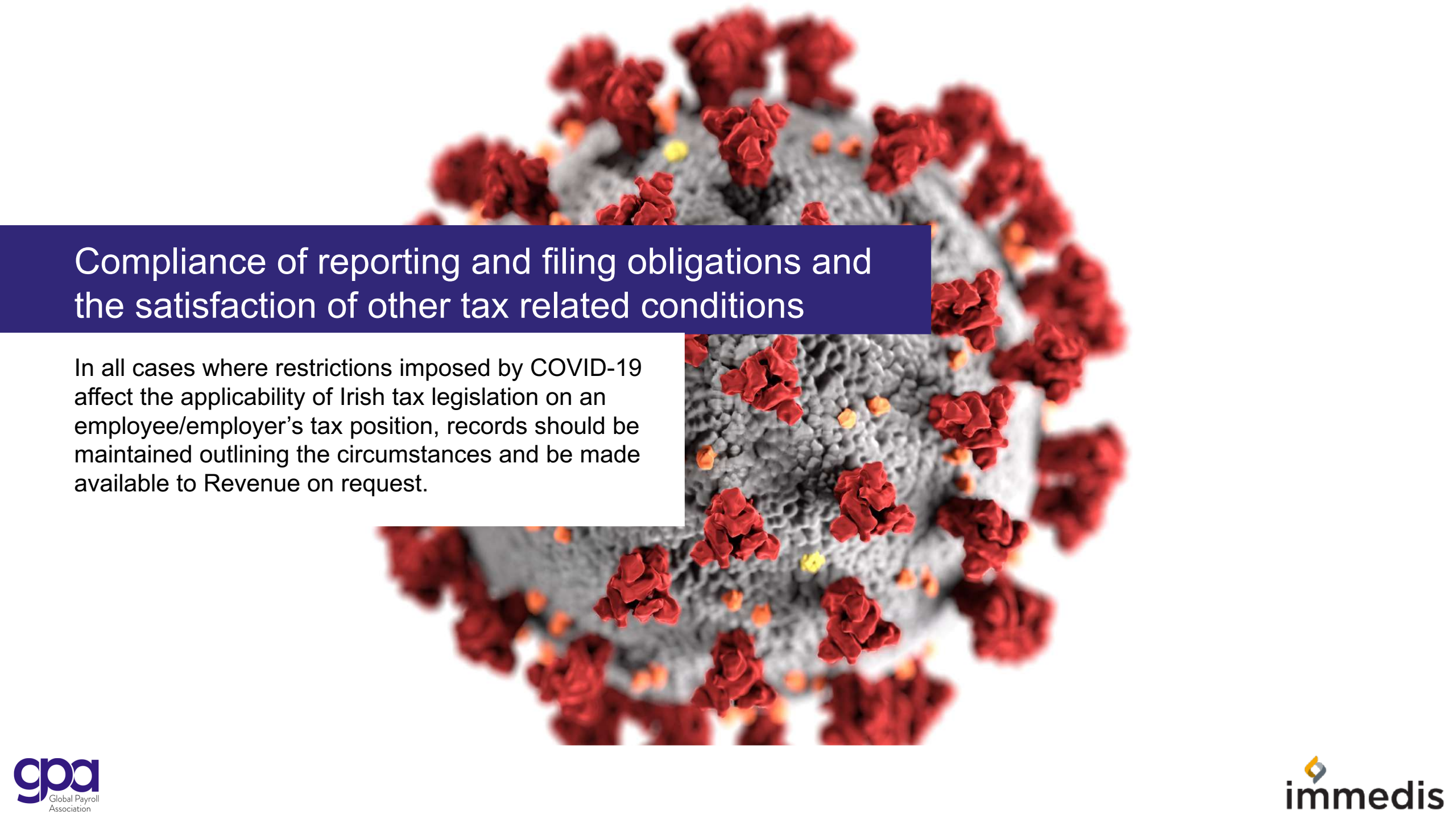
## Benefit In Kind Update

- Company Cars
- Small Benefit Exemption
- Taxis
- Accommodation
- Flight Cancellations
- Working from home



Revenue guidance is available on the following:

- Real-time foreign tax credit (FTC) for Restricted Stock Unit (RSU) cases
- Share scheme filing obligations
- Special Assignee Relief Programme (SARP)
- Trans-Border Workers Relief
- PAYE Dispensation Applications
- Foreign Employments – Operation of PAYE
- PAYE Exclusion Orders
- Residence rules – Force Majeure circumstances
- Warehousing of Tax Debt



## Compliance of reporting and filing obligations and the satisfaction of other tax related conditions

In all cases where restrictions imposed by COVID-19 affect the applicability of Irish tax legislation on an employee/employer's tax position, records should be maintained outlining the circumstances and be made available to Revenue on request.

# United Kingdom

UK Government

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10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER



# Statutory Sick Pay (SSP)

## *Handling sickness absence and self-isolation*

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- Employees who self-isolated prior to 13 March 2020 – waiting days rule still applied and SSP was due from the 4th 'qualifying day'
- Employees who self-isolated after 13 March 2020 – start paying SSP from the 1st 'qualifying day' the employee is off work

Link periods of incapacity for work (PIW) and treat as 1 PIW if the gap between them is 8 weeks or less.

### **For example:**

- An employee qualifies for SSP in the first PIW, but their earnings fall below £120, entitlement will continue during the second PIW, despite the fall in earnings
- Where an employee did not qualify for SSP in a first PIW for any reason, they would not qualify in any later linked PIW



## Reimbursement of SSP paid

*Eligible businesses will be able to obtain a refund of eligible SSP costs. The eligibility criteria for the scheme are as follows:*

- 
- This refund will be limited to two weeks per employee
  - Employers with fewer than 250 employees (as of 28 February 2020) will be eligible
  - Employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria)
  - Employers should maintain records of staff absences, but should not require employees to provide a GP fit note
  - The eligible period for the scheme will commence from the day on which the regulations extending SSP to self-isolators come into force



# Coronavirus Job Retention Scheme

## ***Who can claim?***

Any entity with a UK payroll can apply, including businesses, charities, recruitment agencies and public authorities.

You must have:

- created and started a PAYE payroll scheme on or before 19 March 2020
- enrolled for PAYE online
- a UK bank account

## ***How to put an employee on furlough?***

- Affected employees must be notified in writing and must consent to be furloughed
- Furloughed employees cannot complete any work for the employer or an associated employer during the period of furlough

Featured

NHS

HM Government

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PROTECT YOURSELF & OTHERS

Campaign

**Coronavirus (COVID-19): what you need to do**

Read the latest information about the coronavirus situation in the UK, along with guidance for what to do if you think you're at risk.

20 March 2020 — News story

**Crucial medicines protected for coronavirus (COVID-19) patients**

More than 80 medicines used to treat patients in intensive care units have been banned from parallel export from



## Coronavirus Job Retention Scheme

### *Who can I Furlough?*

- Employees under any type of contract can be furloughed as a result of COVID-19 including full time and part-time employees, those on flexible contracts and those on agency contracts
- Foreign nationals are also eligible to be furloughed and all employees on all categories of visas
- To be furloughed, an employee must have been on the employer's payroll at **19 March 2020**
- Employees recently made redundant
- Employees on unpaid leave after **28 February 2020**

### *What do I pay my employees?*

Each month, you can pay your furloughed employees the lower of:

- 80% of their regular wage, or
- £2,500





## Let's look at an example calculation:

Worker started work for B Ltd in 1997 and is paid a regular monthly salary on the last day of each month. The worker agreed to be placed on furlough from 23 March 2020. The worker was paid £2,400 for the last full monthly pay period before 19 March 2020.

- Start with £2,400 (employee's wages)
- Divide by 31 (the total number of days in March)
- Multiply by 9 (the number of furlough days in March)
- Multiply by 80% - which is £557.42



# Coronavirus Job Retention Scheme

## ***How to claim and for how long?***

- Minimum furlough period is 3 weeks (21 days)
- Claims can be made in anticipation of a payroll run, during a run or after it. If it is done in advance of the payroll run, this should be at least six working days before they are due to pay their employees to allow time for the funds to clear.
- Only one claim can be made for each claim period and changes cannot be made to the claim once submitted
- Claims can be backdated to 1 March 2020 and will be paid by BACs into a UK bank account.
- Claims will be reviewed retrospectively ('Process now, check later' principle')



## Coronavirus Job Retention Scheme - Reporting

- **If you are using the grant to pay wages**, the grant is reported to HMRC via your payroll software on a Full Payment Submission (FPS), on or before the date that it is paid to the employees.
- **If you are using the grant to reimburse wages**, you do not need to make another FPS for this amount.

A woman with curly hair and glasses is sitting on a red shag rug in a living room, working on a laptop. She is wearing a white long-sleeved shirt and blue jeans. The background shows a beige sofa and a large green plant.

## Working from Home

This information is relevant both for employees who are working from home because their usual workplace has closed, and for those who are following advice to self-isolate.

However, it is not relevant to those workers eligible for the job retention scheme.



## Working from Home – Benefits & Expenses

- Unless there is a change in the employees' contracts, you should continue to pay them as normal.
- As well as providing equipment etc., an employer may wish to cover the cost of additional household expenses such as additional costs of heating and lighting.
- Any costs to the weekly limit of £6 (or £26 a month for employees paid on a monthly basis), no evidence record, reporting requirement nor payment is due to HMRC.
- Other exemptions
- Process for non-exempt payments

## Late submission of RTI or late payment of PAYE

- Under RTI most employers must submit information electronically to HMRC each time they make a payment to an employee.
- If you do not send in your payroll information on time (or at all) penalties may be charged by HMRC, unless you had a reasonable excuse.
- If issues with making payments of PAYE, contact HMRC as soon as possible on the COVID-19 help line in order to arrange a payment plan.



# United States



## Economic Impact Payments

Most U.S. residents – under certain income levels – will receive the Economic Impact Payment if they are not claimed as a dependent of another taxpayer and have a Social Security number.

Payments will be as follows:

- Eligible individuals will receive up to \$1,200.
- Eligible married couples will receive up to \$2,400.
- Eligible individuals will receive up to \$500 for each qualifying child.



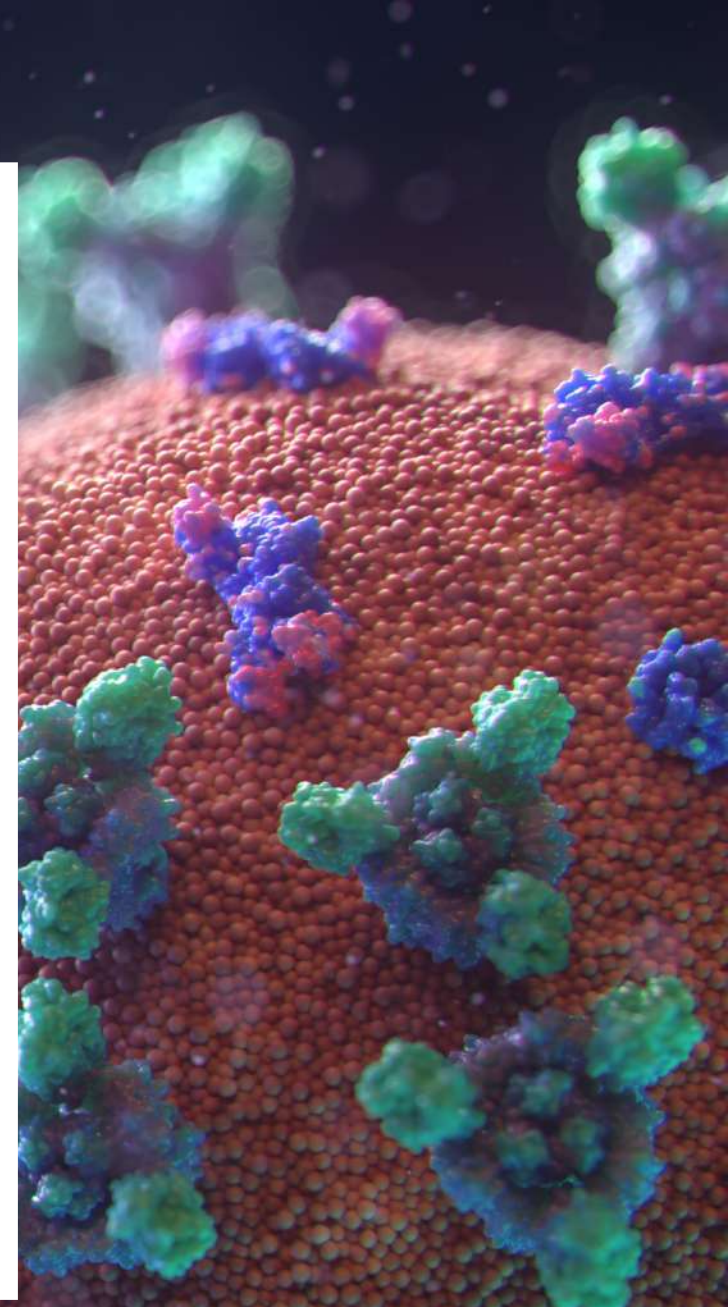
# Economic Impact Payments

Taxpayers will receive a reduced payment if their adjusted gross income is between:

- \$75,000 and \$99,000 if their filing status was single or married filing separately
- \$112,500 and \$136,500 for head of household
- \$150,000 and \$198,000 if their filing status was married filing jointly

Eligible taxpayers who filed tax returns for either 2019 or 2018 will automatically receive an Economic Impact Payment. <https://www.irs.gov/coronavirus/get-my-payment>

- Payments will be automatic for people who receive Social Security Retirement, disability (SSDI), or survivor benefits or Railroad Retirement benefits who don't normally file a tax return.
- Those receiving these benefits who are not claimed as a dependent on someone else's return or required to file a tax return are eligible for a \$1,200 payment.
- However, people in this group who have qualifying children under the age 17 will need to provide information using the "Non-Filers: Enter Payment Info Here" application tool to claim the \$500 payment per child. <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>



A close-up photograph of a child's hands typing on a silver laptop keyboard. The child is wearing a light-colored sweater with a bear pattern. The background is a wooden desk.

## Families First Coronavirus Relief Act (FFCRA)

FFCRA requires certain businesses to provide paid leave to workers who are unable to work in such circumstances due to COVID-19. The FFCRA provides offsets of the cost of the required leave with refundable tax credits against employment taxes. Employers will be entitled to the refundable credit even if it exceeds their employment tax liabilities. Eligible employers will be able to claim these credits based on qualifying leave they paid for the period between April 1, 2020 and December 31, 2020.

# Emergency Paid Sick Leave Act (EPSLA)

EPSLA requires employers with less than 500 employees to provide employees up to 80 hours sick pay time who are unable to work or telework for reasons such as below:

|   | Reason  | Rate of pay & limit on wages   |
|---|---|--|
| 1 | Is subject to a federal, state, or local quarantine or isolation order related to COVID-19  | employee's regular rate of pay, or, if higher, the Federal minimum wage or any applicable State or local minimum wage, up to \$511 per day, but no more than \$5,110 in total              |
| 2 | Has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;  | employee's regular rate of pay, or, if higher, the Federal minimum wage or any applicable State or local minimum wage, up to \$511 per day, but no more than \$5,110 in total              |
| 3 | Is experiencing symptoms of COVID-19 and seeking a medical diagnosis;   | employee's regular rate of pay, or, if higher, the Federal minimum wage or any applicable State or local minimum wage, up to \$511 per day, but no more than \$5,110 in total              |
| 4 | Is caring for an individual subject to an order described in (1) or who has been advised as described in (2);                                   | Two thirds of employee's regular rate of pay or, if higher, the Federal minimum wage or any applicable State or local minimum wage, up to \$200 per day, but no more than \$2,000 in total |
| 5 | Is caring for a child if the school or place of care has been closed, or the childcare provider is unavailable, due to COVID-19 precautions; or | Two thirds of employee's regular rate of pay or, if higher, the Federal minimum wage or any applicable State or local minimum wage, up to \$200 per day, but no more than \$2,000 in total |
| 6 | Is experiencing any other substantially similar condition specified by the U.S. Department of Health and Human Services                         | Two thirds employee's regular rate of pay or, if higher, the Federal minimum wage or any applicable State or local minimum wage, up to \$200 per day, but no more than \$2,000 in total    |



## Emergency Family and Medical Leave Expansion Act

Requires employers with less than 500 employees to provide public health emergency leave to an employee whom has been employed for at least 30 calendar days. The first 10 days for which an employee takes leave may be unpaid. During this period employees can use other from of paid leave such as qualified sick leave accrued sick leave or other paid time off. After the 10 days the employer must provide paid leave for up to 10 weeks. More Information can be found here:

<https://www.dol.gov/agencies/whd/pandemic>

Rate of pay must be at least two thirds of the employees' regular rate of pay multiplied by the number of hours the employees other would have been scheduled to work.

# Employee Retention Credit

Business relief provision known as the employee retention credit, a refundable payroll tax credit for "qualified wages" paid to retained employees between March 13 and December 31, 2020

The refundable credit is equal to 50% of the qualified wages paid to employees after March 12, 2020, and before January 1 2021.

Max of \$10,000 in qualified wages for each employee for all calendar quarters may be counted for 50% credit.

Employers are eligible for the credit if:

- for any quarter in which they have either fully or partially suspend operation or
- Had a 50% decline in Gross receipts as compared to same quarter in the previous year

The credit is basis on the following:

- Employers who averaged 100 or less full-time employees in 2019, the credit is basis on the qualified wages paid to all employees during these periods
- Employer who averaged greater than 100 fulltime employees in 2019, the credit is based on qualified wages paid to those employees not providing services due to suspension of operations or decline in gross receipts

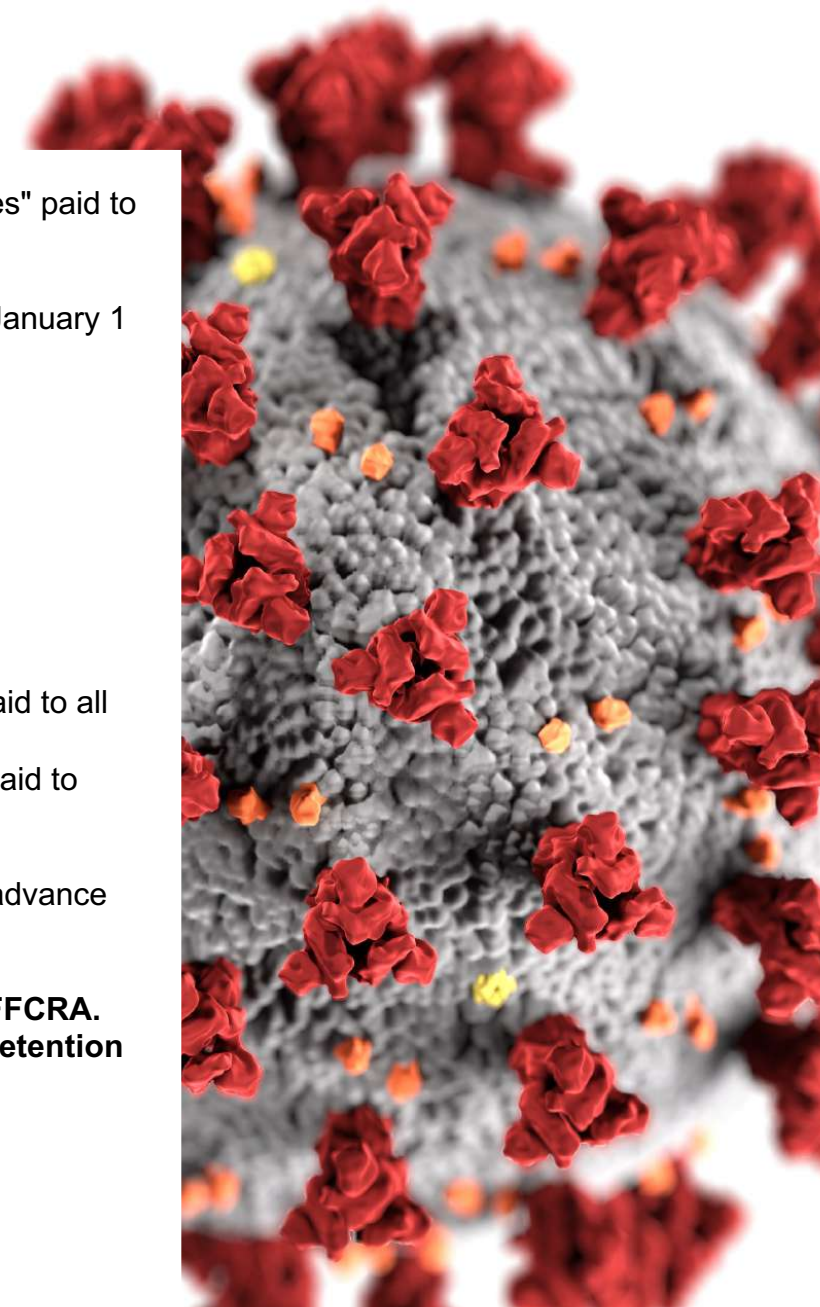
Eligible employers can get immediate access to the credit by reducing employment tax deposits or requesting an advance credit on Form 7200. <https://www.irs.gov/pub/irs-pdf/f7200.pdf>

**\*Qualified Wages do not include wages that the employer received a credit for sick or family leave under FFCRA.**

**\*Employers who receive Small Business interruption loan under CARES ACT cannot claim the employee retention credit.**

**\*Government entities are also not entitled to the credit.**

Further information can be found here : <https://www.irs.gov/coronavirus/employee-retention-credit>





## Deferral Of Social Security

Employers can defer payments of your (employer) portion of Social Security taxes (6.2% of wages) for all employees for wages paid between Mar. 27, 2020 and Dec. 31, 2020. With first 50% payable on 31, December 2021 and remaining 50% due on 31, December 2022.

Further information can be found here:

<https://www.irs.gov/newsroom/deferral-of-employment-tax-deposits-and-payments-through-december-31-2020>

## Paycheck Protection Program (PPP)

- The Paycheck Protection Program (PPP) authorized by the CARES Act makes non-recourse forgivable loans of up to \$10 million is available to certain qualified small businesses
- The IRS has released the following FAQs specific to the CARES Act and the new Paycheck Protection Program
- Details can be found online - <https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>





## Emergency Loans Small Business Guide

The U.S. Chamber of Commerce prepared a Coronavirus Emergency Loans Small Business Guide and Checklist. You can find information on eligibility, what lenders are looking for and amounts you can borrow online here -

[https://www.uschamber.com/sites/default/files/023595\\_comm\\_corona\\_virus\\_smallbiz\\_loan\\_final.pdf](https://www.uschamber.com/sites/default/files/023595_comm_corona_virus_smallbiz_loan_final.pdf)



## IRS and COVID Relief

***The IRS is to provide COVID-19 relief by postponing the April 15 2020 tax return filing and balance due payment deadline by 90 days for all taxpayers***

On March 20, 2020, the IRS issued Notice 2019-18 that superseded and expanded the scope of previously issued Notice 2018-17. The effect of the notice is that all income tax returns that are usually due on April 15 can be filed by July 15 without being subject to late filing penalties. The notice also removed the previously announced balance due threshold of \$1,000,000 for individual and \$10,000,000 for corporate taxpayers.



## Clarification of the filing and payment deadlines:

The tax preparers' community raised a number of questions since the announcement of IRS Notice 2019-18. In response to those questions, the IRS created a Questions and Answers webpage on their website where they clarified a number of details. <https://www.irs.gov/newsroom/filing-and-payment-deadlines-questions-and-answers>

## State tax conformity:

- It is expected that most States will conform to the federal legislation. However, currently only a handful of States have actually announced their position. The American Institute of Certified Public Accountants (AICPA) is actively monitoring the States' formal position on conformity. An up-to-date chart detailing each individual State's position can be found at <https://www.aicpa.org/content/dam/aicpa/advocacy/tax/downloadabledocuments/coronavirus-state-filing-relief.pdf>.
- Country specific information is changing in line with this ever-evolving situation and the team here at Immedis are updating this information as much as is possible. Be sure to keep up to date with official sources for the most recent information.

# Keep up to date @ [immedis.com/blog](https://immedis.com/blog)

**March 26, 2020**

Global Payroll

## COVID-19 (Coronavirus): Country Updates

Due to COVID-19, government authorities across the globe are introducing new measures relevant to employers and employees. It's vital to ...

by **Emma Meehan**

[Read the full story](#)

*Country updates available for:*

Belgium, Bulgaria, Canada, Denmark, Germany, Ireland, Netherlands, Norway, Sweden, UK and USA.



Questions?



**Thank You**