



Supports for businesses impacted by the more recent COVID-19 restrictions

Update – December 2021

There have been a number of recent changes and enhancements announced by government to schemes that support businesses and individuals affected by the latest public health restrictions. Among the changes and enhancement to schemes announced by government last week were:

- The enhanced rates of subsidy under the Employment Wage Subsidy Scheme will be maintained for a further two months for December 2021 and January 2022.
- An extension of the end-date of the COVID-19 Restrictions Support Scheme to 31 January 2022 to align with the requirement for nightclubs and discos to close until 9 January 2022 under the Health Regulations.
- The reintroduction of the COVID-19 Pandemic Unemployment Payment to support workers who lose their employment as a direct result of the new public health restrictions from 7 December 2021.
- An additional funding of €50 million to support the Live Performance Sector, in response to the introduction of new restrictions on live performance capacities.

The following is an overview of the revised schemes following the government announcements.

1. Employment Wage Subsidy Scheme (“EWSS”)

The EWSS provides a flat rate subsidy to qualifying employers based on the number of eligible employees they maintain on their payroll and the gross pay to these employees. It also charges a reduced rate of employer PRSI of 0.5% on wages paid which are eligible for the subsidy payment. For eligibility under the scheme employers must possess valid tax clearance certificates and continue to maintain tax clearance for the duration of the scheme. Businesses must also be able to demonstrate that they have been significantly disrupted by COVID-19. The employer needs to demonstrate at least 30% reduction in turnover for the period from 1 January to 31 December 2021 for pay dates on or between 1 July 2021 and 30 April 2022. This is an extension on the original period from 6 months to 12 months. The scheme will remain in place until 30 April 2022 before being gradually phased out.

- Businesses availing of the EWSS on 31 December 2021 will continue to be supported until 30 April 2022.
- A two-rate structure of €151.50 and €203 will apply for February.
- A flat rate subsidy of €100 will apply for March and April. The reduced rate of Employers' PRSI will no longer apply for these two months.

The scheme will close to new applicants from 1 January 2022.

2. COVID-19 Restrictions Support Scheme (“CRSS”)

The CRSS was introduced by the Finance Act 2020 to provide financial support for business significantly impacted by restrictions imposed by Government to combat the effect of the COVID-19 pandemic. Where a company, self-employed individual or partnership is either forced to temporarily close their business, or operate at significantly reduced levels, because of the restrictions, the company, self-employed individual or partnership will qualify for the support. To qualify under the scheme a person must:

- Carry on a relevant business activity being a business activity carried on in a business premises located in a geographical region subject to COVID-19.
- Demonstrate that, because of the COVID-19 restrictions, the turnover of the business in the period for which the restrictions are in operation, and for which a claim is made, will be no more than 25% of an amount equal to the average weekly turnover of the business in 2019 (or average weekly turnover in 2020 in the case of a new business) multiplied by the number of weeks in the period for which a claim is made.
- A qualifying person will be able to make a claim to Revenue under the CRSS for a cash payment known as an “Advance Credit for Trading Expenses”. This payment will be equal to 10% of their average weekly turnover in 2019 up to €20,000 and 5% thereafter, subject to a maximum weekly
- Payment of €5,000, for each week that their business is affected by the COVID-19 restrictions.
- Where the person recommences the business activity within a reasonable period of time, the business may make a claim for a “restart week” payment, subject to meeting all the relevant qualifying criteria. The ACTE available to a business for the restart week will be calculated at the normal rates for a period of one week, and subject to the normal weekly cap of €5,000 per week.

Most businesses no longer qualify for the scheme. However, with effect from 7 December 2021 businesses in the hospitality, entertainment and night time economy sectors may again qualify for support. If restrictions are eased as

intended on the 10 January 2022 and the business activity is recommenced within a reasonable period the business may claim a restart week payment. The CRSS has been extended until 31 January 2022.

3. Reintroduction of the Pandemic Unemployment Payment for workers

The pandemic unemployment payment is a social welfare payment for employees and self-employed who have lost their job due to the COVID-19 pandemic. Those who qualified for the payment on 8 July 2021 and are still eligible were moved to the standard jobseekers allowance. Those who have lost their job as a result of the restrictions imposed on the 7th of December 2021 will qualify for the payment if they are:

- aged between 18 and 66 years old
- live in the republic of Ireland
- lost their job on or after 7th December 2021
- temporarily laid off on or after 7th December 2021
- self-employed and trading income has ceased or reduced on or after 7th December 2021
- are not in receipt of any income from an employer
- are genuinely seeking work



The scheme will end on the 25 March 2022 with the latest payment on Tuesday, 29 March 2022, however for some people the payment may end before this as rates are gradually phased out.

4. Support for the Live Performance Sector

The Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media announced additional funding of €50 million to support the Live Performance Sector, in response to the introduction of new restrictions on live performance capacities. Further details on the scheme will be made available on the Department's website shortly.

5. Further supports

- The commercial rates waiver has been further extended by an additional 3 months until the end of March 2022.
- There is an extension of the reduction in VAT rate of 9% for the hospitality and tourism sector has further extended this until the end of August 2022.
- There are a number of loans, grants and vouchers available to business effected by the COVID-19 pandemic. [Further info please click here.](#)
- The COVID-19 Enhanced Illness Benefit will continue to be paid until 8 February 2022.

For further information, please see contact information below.

Contact Information

Ned Murphy Managing Partner
ned.murphy@mooreireland.ie

Diarmuid O'Connell Partner In Charge – Dublin Office
diarmuid.oconnell@mooreireland.ie

Padraig O'Donoghue Tax Partner
padraig.odonoghue@mooreireland.ie

Eoghan Bracken Tax Partner
eoghan.bracken@mooreireland.ie

W: www.mooreireland.ie



www.mooreireland.ie