

Dear Cork Chamber Member,

I would like to give you an update on Section 26 of the Emergency Measures in the Public Interest Bill (COVID-19) Bill debates in the Oireachtas yesterday. The principle of keeping people in work is obviously sound and welcome but the Revenue guidance as it currently stands may limit the intent. Declarations associated with Wage Subsidy Scheme have been a source of concern for multiple members throughout the week and we are engaging with Government on a daily basis to address this issue.

The Revenue guidance paragraph of most note in discussion reads as follows:

The Subsidy Scheme is open to employers who self-declare to Revenue that they have experienced significant negative economic disruption due to Covid-19. They should be able to show, to the satisfaction of Revenue, that the negative disruption has led - to a minimum of 25% decline in actual or predicted turnover, to an inability to pay normal wages and outgoings and, to other circumstances as set out in soon to be published Revenue Guidelines.

See the Wage Subsidy **FAQs** Document on: <https://www.corkchamber.ie/wp-content/uploads/2020/03/FAQs-covid-wage-subsidy-scheme.pdf>

Since Revenue published the interim guidelines we have been liaising with Government, opposition leaders and our colleagues in Chambers Ireland to address the deficiencies that could make the Temporary COVID-19 Wage Subsidy Scheme unworkable for business.

Our engagement throughout Wednesday and Thursday led to significant and relevant contributions in Oireachtas debate and in direct contribution to the drafting of amendments.

To view yesterday's Committee stage debate see the following link, click the March 26 video and watch from 10.10 onwards. <https://www.oireachtas.ie/en/oireachtas-tv/video-archive/dail-videos/>

Of note Minister of Finance Paschal Donohue said in response to questioning from Deputy Michael Mc Grath:

"I believe the concept that you're putting there is that the presence of cash reserves would in some way debar a company from participation in the scheme. I don't believe that would be the case. I think it's very possible that you will have companies that do have cash reserves precisely for the reason you said because they have costs coming up that they know they need to meet, they have loan repayments they need to honour and I will be relying on the Revenue commissioner to be able to implement that. I'm confident that they will."

In parallel with Dáil discussions last night Revenue also published a further clarification. Please see the **Employer Eligibility** document on: <https://www.corkchamber.ie/wp-content/uploads/2020/03/guidance-on-employer-eligibility-and-supporting-proofs.pdf>

Of particular note, please see the below extracts.

See:

An employer that has been hit by a significant decline in business but has strong cash reserves, that are not required to fund debt, will still qualify for the Scheme but the Government would expect the employer to continue to pay a significant proportion of the employees' wages.

And:

The declaration by the employer is not a declaration of insolvency. The declaration is simply a declaration which states that, based on reasonable projections, there will be, as a result of disruption to the business caused or to be caused by the Covid-19 pandemic, a decline of at least 25% in the future turnover of, or customer orders for, the business for the duration of the pandemic and that as a result the employer cannot pay normal wages and outgoings fully but nonetheless wants to retain its employees on the payroll.

We will continue to engage urgently to ensure clarity is forthcoming to provide business confidence in the final iteration of Revenue guidance on the Temporary COVID-19 Wage Subsidy Scheme.

Ultimately the main business points regarding the operation of the wage subsidy scheme were made in the Dáil last night and there was a significant advancement of the Revenue position.

We hope you find this update to be of use. We are here to represent you and to influence the workability of this Emergency legislation and all associated policy instruments for business.

Please be in touch.