

Grant Thornton - Wage Subsidy Scheme – FAQ 2

The following is a supplementary list of questions tabled by IHF members and answered by Grant Thornton, accountants and tax advisers. The Link to FAQ 1 is [HERE](#).

Q. 81 Employees are being paid 70% of average net weekly pay across the board, should the Employer be paying them 350.00 or 410.00?

Example 1.

John's 70% average net weekly pay is 250.00

Employer pays 350.00

(100.00 is owed back by Employer to Revenue at a later stage – not the Employee)

A. Subsidy available is 85% of AWN which is €303 and employer can top up to bring total pay to €350. The single exception to tapering is where an employer wishes to pay an employer contribution which when added to the wage subsidy for the employee does not exceed €350 per week. In such cases, tapering of the temporary wage subsidy shall not be applied.

Example 2

Mary's 70% average net weekly pay is 370.00 . Her AWN must have been €529 pre Covid

Employer pays 410.00.

(40.00 is owed back by Employer to Revenue at a later stage – not the Employee)

A. In this case the maximum subsidy is 70% of €529 which is €370. Employer can top up by €159 to bring gross pay €529 before suffering reduced subsidy

Q. 82 Is there any guidance on staff working on the Wage Subsidy Scheme? E.G. if staff being paid 40hrs with top up from employer but working less than 30hrs for this.

A. Hours worked make no difference

Q. 83 Please clarify: "In addition, where an employer wishes to pay a greater level of top-up - beyond the outstanding 15% of previous pay - (in respect of employees with net pay less than €412 per week) in order to bring the employee's pay to €350 per week then tapering would not be applied to the subsidy."

A. This applies for gross pay including subsidy is no more than €350 regardless of what the old AWN was.

Does it mean that for an employee earning an average net pay for Jan/Feb of let's say €200 per week that:

A) Revenue will pay 85% of the full €350 if the employer pays the other 15%?

Or

B) Does it mean that in those same circumstances that if the employer tops up the pay from €200 to €350 that he will not lose the original subsidy?

A. Subsidy will fund 85% of €200, €170 and employer can top up provided the pay including subsidy is less than €350. This is the single exception to tapered subsidy The single exception to tapering is where an employer wishes to pay an employer contribution which when added to the wage subsidy for the employee does not exceed €350 per week. In such cases, tapering of the temporary wage subsidy shall not be applied.