

Hi Jason

Further to our earlier call, please see below advices re the issue raised re payment of wages to employees of closed establishments.

There is no condition within the Employment Wage Subsidy Scheme (EWSS) that an employee must be 'working' in order for the employer to claim a subsidy in respect of that employee.

The EWSS resumes normal operation of payroll for employers under the PAYE system. It re-establishes the requirement to operate PAYE on all payments to employees which includes the regular deduction and remittance of income tax, USC and PRSI at the normal rates. Where an eligible employer makes a payment of emoluments to a qualifying employee, the employer can claim an employment wage subsidy in respect of that employee. The level of subsidy will be determined by the amount of gross pay paid to the qualifying employee in accordance with subsection (8) of the EWSS legislation.

A qualifying employee is an individual who was eligible under the Temporary Wage Subsidy Scheme in relation to the employer, and, an individual who is on the payroll of the employer and receives a payment of emoluments during the qualifying period (01/07/2020 to 31/03/2021) but excludes connected parties not on the payroll of the employer at any time during the period 01/07/2019 to 30/06/2020 and proprietary directors eligibility conditions yet to be confirmed.

Thus, where a business such as a pub remains closed from 1st Sept and the employer continues to pay employees, the payment of emoluments to the employees must be taxed accordingly under the PAYE system. Where employer and employee EWSS eligibility criteria are met, the employer can make a claim for an employment wage subsidy in respect of those payments of emoluments to employees and the level of subsidy amount will be determined by the amount of gross pay paid to the employee.

If you need anything further on this, please come back to me.

Regards

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