
If your income has been hit by Covid-19

If your income and personal finances have been impacted by the Covid-19 crisis, what are the financial supports and options available to you?

The destruction meted out by Covid-19 in just weeks has impacted tens of thousands of people across virtually every sector in Irish life, with workers in retail and hospitality getting hit the worst and losing their jobs literally overnight in many cases.

Yesterday (24 March) the Irish Government outlined [strict new social distancing rules](#) including the closure of non-essential businesses including hairdressers, bingo halls and casinos.

[Click here](#) for details on what retail outlets are designated as 'Essential Retail Outlets' and will remain open to the public, while implementing social distancing.

The measures include the National Covid-19 Income Support Scheme for Irish workers and companies impacted by the health crisis, including increased payments to people who have lost their jobs because of the crisis and guaranteeing up to 70pc of the income of workers who are being retained by employers.

If your income has been impacted by Covid-19 through either the loss of employment or wage reduction, here are your options:

Banks

All the banks have announced that they will offer flexibility to their customers, and they may be able to provide payment holidays or emergency working capital facilities (see mortgage supports below).

Contactless payments

To comply with the advice from the Irish Government on social distancing and hand hygiene, many consumers are relying more on contactless payments while carrying out everyday purchases.

A small but important change for many businesses is the limit for contactless credit card payments has been raised from €30 to €50.

Last week Bank of Ireland revealed that it will [waive contactless fees](#) for the duration of the public health emergency.

The bank has also committed to buying back foreign currency at the rate it was sold, ensuring that

the customer won't be at a financial loss.

Creches

Childcare providers will be asked to stop charging parents for places in crèches in return for a major bailout for the sector during the Covid-19 emergency. Children's Minister Katherine Zappone secured a substantial rescue package for the industry which will see childcare businesses and their staff receive State support in return for ditching fees for parents who are worried about keeping their places.

Covid-19 Illness Payment

The Covid-19 illness payment has been increased to €350 per week. The new Scheme will be in place for 12 weeks from 25 March. When a worker is told to [self-isolate](#) by a doctor or has been diagnosed with COVID-19 (Coronavirus) by a doctor, they can apply for an enhanced [Illness Benefit](#) payment of €350 per week. To be eligible for this payment a person must be confined to their home or a medical facility.

Enhanced emergency Covid-19 Pandemic Unemployment Payment

People who have already been approved for the [Covid-19 Pandemic Unemployment Payment](#) will now get an increased payment of €350 per week (instead of €203). Anyone else who loses their job due to the Covid-19 crisis can apply to the Department for payment at the new rate.

Income Support

A [temporary wage subsidy](#) has been introduced whereby an eligible employer will be supported by up to 70pc of an employee's take home income up to a maximum weekly tax-free payment of €410 (i.e. 70pc of take home weekly income of €38,000 per annum). The scheme will provide support on incomes up to €76,000 or twice average earnings. It will be capped at net €350 for incomes between €38,000 and €76,000.

Mortgage holders

A series of measures to support people impacted by Covid-19 have been announced by the banking sector. These include:

Flexible arrangements, including a payment break for mortgages and other loans. Customers affected by Covid-19 must contact their bank to discuss the flexibility available to them, including the possibility of a payment break of up to 3 months. Non-bank mortgage lenders and credit servicing firms have also announced their support for this measure.

Support for buy-to-let bank customers with tenants affected by Covid-19 – customers with rental property in which the tenants are adversely impacted by Covid-19 will also be provided with flexibility including with an opportunity to seek a payment break of up to three months, which will allow them to exercise due levels of forbearance to their tenants.

In addition, applications for payment breaks as a result of Covid-19 will not affect credit records.

Renters

The Government is introducing legislation to prevent both the termination of residential tenancies and any rent increases for the duration of the Covid-19 crisis.

The banks have also said they will support buy-to-let bank customers with tenants affected by COVID 19 with an opportunity to seek a payment break of up to three months – so they can in turn offer forbearance to their tenants.

Rent Supplement is also available as a short-term income support to those in the private rented sector who are experiencing difficulty paying their rent. In view of the difficulties created for many in the private rented sector who have lost significant employment income, the Department of Employment Affairs and Social Protection will use the full flexibility of the scheme to provide the necessary support.

Self-employed

Self-Employed will be eligible for the [Covid-19 Pandemic Unemployment Payment](#) of €350 directly from the Department of Employment Affairs and Social Protection (rather than the Revenue scheme).

Utility bills

The Commission for Regulation of Utilities (CRU) has issued a moratorium on disconnections of domestic customers for non-payment to the gas and electricity suppliers.

The suppliers have arrangements in place for any domestic/residential customers in arrears which are overseen by CRU and have a number of emergency provisions to assist Pay As You Go customers.

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