

Latest supports for Irish businesses hit by Covid-19

As well as tougher social distancing rules, the Government of Ireland has outlined more financial supports for individuals and businesses impacted by Covid-19.

Yesterday (24 March), the Irish government revealed its National Covid-19 Income Support Scheme for Irish workers and companies impacted by the health crisis.

Measures include [a temporary wage subsidy of 70pc](#) of take home pay up to a maximum weekly tax-free amount of €410 per week to help affected companies keep paying their employees. This is the equivalent of €500 per week before tax.

Workers who have lost their jobs due to the crisis will receive an enhanced emergency [Covid-19 Pandemic Unemployment Payment](#) of €350 per week (an increase from €203).

As well as this, the [Covid-19 illness payment](#) will also be increased to €350 per week.

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).

The measures also included enhanced protections for people facing difficulties with their mortgages, rent or utility bills.

These measures will be costly – with an initial estimated cost of €3.7bn over a 12-week period.

The measures also included stricter social distancing rules and outlined what businesses must remain closed during the crisis, 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

“We cannot stop this virus but working together we can slow it in its tracks and push it back,” Ireland’s Taoiseach Leo Varadkar said.

“These are extraordinarily difficult times for everyone – in Ireland and around the world. But no matter what happens, we will always put your life and your health ahead of any other concern. All our resources are being deployed in this great national effort. And I know that the Irish people will continue to face this head-on, to make the changes that required, and will pull through to the other side.”

Available financial supports for businesses

Last week *ThinkBusiness* published a full [list of available financial supports for businesses impacted by Covid-19](#) from banks and the State, including a Credit Guarantee Scheme, Short Time Work Support, Revenue cashflow supports, job seekers emergency payment and increased lending by Microfinance Ireland.

Financial supports, including a €200m Strategic Banking Corporation of Ireland Working Capital scheme; a €200m Rescue and Restructuring Scheme available through Enterprise Ireland for vulnerable but viable firms; the maximum loan available from Microfinance Ireland has been increased from €25,000 to €50,000 (these loans are now interest free with no repayments for 6 months); Local Enterprise Offices in every county will be providing vouchers from €2,500 up to €10,000; a Finance in Focus grant of €7,200 will be available to Enterprise Ireland and Údarás na Gaeltachta clients.

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.

A deferral of up to three months on loan repayments will be available to many businesses. Tailored supports include extensions of credit lines, risk guarantees, and trade finance. These supports complement the range of Government supports available through the Strategic Banking Corporation of Ireland.

The Central Bank has confirmed that it will allow banks to dip into their rainy-day capital reserves to keep lending flowing. It is anticipated that this move could free up considerable additional credit for households and businesses.

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

Business rates

The Irish Government has agreed with local authorities that they should defer rates payments due from the most immediately affected businesses, primarily in the retail, hospitality, leisure and childcare sectors, until the end of May.

Business Response Plan

Enterprise Ireland has published a COVID-19 Business Response Plan which includes a step-by-step risk assessment process. It is available here: www.enterprise-ireland.com/businessresponse

Income support

As outlined yesterday, 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. 70% 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.

The employer is expected to make best efforts to maintain as close to 100pc of normal income as possible for the subsidised period. Revenue will provide further guidance on operation of the scheme. There will be severe penalties for any abuse of the scheme.

Employers must self-declare to Revenue that they have experienced significant negative economic disruption due to Covid-19, with a minimum of 25pc decline in turnover, and an inability to pay normal wages and other outgoings, in accordance with guidance to be issued by Revenue.

Revenue Commissioners

Revenue has posted specific advice for businesses experiencing trading difficulties as a result of Covid-19 including [information on tax returns, the application of late payment interest, debt enforcement, tax clearance and customs](#).

SBCI Covid-19 Working Capital Scheme

The SBCI Covid-19 Working Capital Scheme, announced by the Minister for Business, Enterprise and Innovation is now live. Loan application criteria is available [here](#)

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Published: 25 March, 2020