



Summary: July Jobs Stimulus Package – Government’s response to COVID-19

The July Stimulus Package was announced by Government on 23rd July 2020 with the purpose of strengthening the economy which has suffered as a direct result of the COVID-19 worldwide pandemic. This package includes various initiatives to alleviate the financial pressure on businesses and individuals alike. The Stimulus Package is mainly employment driven with the focus on job creation and retention and is estimated at an additional €7.4bn injection into the economy.

The main supports available for businesses are as follows;

1. Employment Wage Support Scheme
2. Restart grant - Expansion
3. Credit Guarantee Scheme
4. Waiver of Commercial Rates
5. Taxation measures
6. Other business-related measures

7. Sustaining Enterprises Fund Scheme

8. Sustaining Enterprise Fund Scheme – Small Enterprises

Supports for individuals

9. Pandemic Unemployment Payment

10. Other schemes and measures

Supports for communities

11. Other schemes and measures affecting the public

BUSINESS SUPPORT MEASURES

1. Employment Wage Support Scheme (EWSS)

- Succeeds the Temporary Wage Subsidy Scheme (TWSS)
- From 1 September 2020 up to April 2021.
- Businesses that suffered a 30% reduction in turnover will receive a flat-rate subsidy up to €203 per employee per week.
- Seasonal and new staff are now included.
- New companies operating in COVID-19 affected sectors are also eligible for this scheme.

2. Restart Grant - Expansion

- Extended to a broader base of SMEs (including non-rated B&Bs and rateable sports businesses)
- Expanded by €300m (total is €550m)
- Maximum grant is increased to €25k.
- Further payments may be available to businesses that have already received the grant previously. (Top-up)
- Applications can be made through Local Authorities
- Eligibility criteria:
 - 250 employees or less
 - Turnover is less than €100k per employee
 - Turnover has reduced by at least 25% due to COVID-19

3. COVID-19 Credit Guarantee Scheme

- Total amount available in this scheme is €2b
- Scheme is time bound and initially made available up to 31 December 2020
- Government will provide an 80% guarantee on loans
- Loans from €10k to €1m

3. COVID-19 Credit Guarantee Scheme (continued)

- Size of loan will be linked directly to either turnover (25% of 2019 turnover) or wage costs (200% 2019 annual wage bill)
- Up to a maximum term of 6 years
- Capital and interest repayment moratorium of up to twelve months
- Eligibility criteria:
 - Up to 499 employees
 - Suffered loss of at least 15% of actual or projected turnover or profit due to COVID-19.

4. Waiver of Commercial Rates

- With limited exceptions, all businesses will be granted a waiver of commercial rates for six months up to end of September 2020.

5. Taxation measures

- Warehousing of tax liabilities:
 - Applies to “Payroll taxes” (PAYE, USC, PRSI) and VAT only
 - Taxes due from 1 March 2020 until two months after normal trading resumes will be warehoused for twelve months
 - Initial twelve month warehousing period: No interest will accrue on the tax debts
 - After twelve months: Business will qualify for a reduced interest rate of 3% on outstanding debts for the new agreed repayment period



5. Taxation measures (continued)

- VAT – Standard rate of VAT to be reduced from 23% to 21% for six months (September 2020 to February 2021)
- Interest rate applied to agreed repayments of all tax debt (where agreement has been reached prior to 30 September 2020) will be reduced to 3%.
- Previously profitable companies will be eligible for an immediate full or partial refund of corporation tax paid through the allowance of the early carry-back of trading losses.

6. Other business-related measures

- Small and Micro companies - A package €55m of liquidity and enterprise investment measures through additional resources for Micro Finance Ireland (MFI) and the Local Enterprise Offices (LEO's). Including grants equivalent to 0% interest on the first year of SBCI and MFI loans.
- **Future Growth Loan Scheme** – Expanded from €200m to €500m
 - Businesses in Ireland with up to 499 employees & primary agriculture (farmers) and seafood sectors
 - Loan terms of eight to ten years
 - Loans range from €100k (€50k for farmers) to €3m per eligible business. Unsecured loans up to €500k.
 - Initial maximum interest rate is capped at 4.5% for loans up to €249,999 for the first 6 months.
 - Initial maximum interest rate is capped at 3.5% for loans of €250,000 and over for the first six months.
 - After six months the interest rates are variable.
 - Applications can be made through the following link: <https://sbci.gov.ie/products/future-growth-loan-scheme#>
- **Apprenticeship Incentivisation Scheme** - €2,000 payment in first year for each apprentice hired, €1,000 payment in second year for each apprentice retained.
- **JobsPlus Scheme** – 8,000 Subsidies of up to €7,500 over 2 years to hire an employee under the age of thirty and who is on the Live Register or the Pandemic Unemployment Payment.
- **Green Enterprise Fund** - €10m to be provided to businesses involved in Green R&D, investment or capacity building.
- **Online presence development** – Online Retail Scheme of €5.5m (Enterprise Ireland) and Online Trading Voucher Scheme of an additional €20m (Local Enterprise Offices)
- **Brexit Fund** - €20m for SMEs which import and export with the UK.

7. Sustaining Enterprise Fund Scheme

- Expansion of €180m scheme to include direct grant support to viable businesses, in addition to equity and repayable advances.
- Funding available from €100k to €800k
- Funding is for a period of five years
- Eligibility criteria is as follows:
 - Manufacturing and internationally traded service companies
 - Ten or more full-time employees
 - Business suffered or is projected to suffer a 15% or more reduction in actual or projected turnover or profit as a result of COVID-19
- Funding provided will be a combination of repayable and non-repayable portions
- Up to 50% is non-repayable, to a maximum of €200k.
- Administration fee applies to repayable portion as follows:
 - 0% for first six months
 - 4% per annum thereafter
- Apply at <https://www.enterprise-ireland.com/en/funding-supports/>

8. Sustaining Enterprise Fund Scheme

- Eligibility criteria is as follows:
 - Manufacturing and internationally traded service companies
 - Ten or more full-time employees
 - Annual turnover in most recent financial statements does not exceed €5m
 - Businesses suffered or is projected to suffer a 15% or more reduction in actual or projected turnover or profit as a result of COVID-19
- Annual turnover per most recent financial statements < €1.5m : Apply for up to €25k
- Annual turnover per most recent financial statements >€1.5m : Apply for up to €50k
- Funding provided will comprise a combination of repayable and non-repayable support.
- Up to 50% of funding provided non-repayable.
- Administration fee applies to repayable portion as follows:
 - 0% for first six months
 - 4% per annum thereafter
- Apply at <https://www.enterprise-ireland.com/en/funding-supports/>



INDIVIDUAL SUPPORT MEASURES

9. Pandemic Unemployment Payment Scheme

- Extended by seven months up to 1 April 2021.
- Scheme will close to new claimants from 17 September 2020.
- 3-Tier rates applicable from 17 September 2020:
 - €203 for those who earned less than €200 before the pandemic
 - €250 for those who earned between €200 and €300
 - €300 for those who earned in excess of €300
- From now to April 2021 there will be a gradual reduction in payment levels to a point of the standard jobseeker's payment. (€203)

10. Other schemes and measures - Individuals

- €200 million investment in Training & Education, Skills Development, Work Placement Schemes, Recruitment Subsidies and Job Search and Assistance measures, including:
 - 10,000 additional places on work placement and experience schemes for those unemployed for over 6 months
 - 12,500 additional places funded through the Training Support Grant for short term skills training
 - 35,000 additional places in further and higher education.
 - Increased capacity of the Public Employment Service to support jobseekers
 - 3,000 additional places will be funded on State Employment Schemes.

Other schemes and measures – Individuals (continued)

- Cycle To Work Scheme – Allowable expenditure of €1,500 for “ebikes” and €1,250 for bicycles
- Stay and Spend Incentive – If a taxpayer spends in excess of €625 on accommodation, food and non-alcoholic drinks between October 2020 to April 2021, €125 is claimable through a tax credit.
- Self-employed individuals who were profitable in 2019 but incurred COVID-19 related losses in 2020 will be eligible for a new income tax relief.

COMMUNITY SUPPORT MEASURES

11. Other schemes and measures – Community driven


- Major capital works acceleration - €500m. Across all sectors (public safety, public transport, education, health, etc.) and will result in the generation of jobs.
 - **€75m** for works at primary and secondary schools
 - **€113m** for active travel, public transport and renewal of transport infrastructure
 - **€40m** for investments in a range of heritage, arts, tourism and Gaeltacht-related projects
 - **€20m** investment in courts, prisons and Garda projects
 - **€100m** investment in the Energy Efficiency National Retrofit Programme
 - **€10m** for town and village renewal

How we can help

If you are experiencing financial difficulty as a result of the current COVID-19 crisis and you need advice in relation to your current trading position, raising finance, through your existing lender, a new lender or to access the Government supports please contact us. We are an approved Enterprise Ireland advisor, we have a track record in raising finance for businesses and we have a team with significant experience in helping businesses with liquidity and working capital funding issues.


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