

# Government outlines changes to Covid Support Schemes to further support economy and society

From [Department of Employment Affairs and Social Protection](#)

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**Fourth Rate of PUP now payable to people who earned €400 or more per week**

**New applicants urged to apply online at MyWelfare.ie**

**Cabinet approves revisions to rates paid under Employment Wage Subsidy Scheme (EWSS) to encourage retention of staff by employers**

**Changes to Covid Restrictions Support Scheme to capture greater range of businesses**

**Issued by the Government Press Service**

The Minister for Finance, Paschal Donohoe, T.D; the Minister for Public Expenditure and Reform, Michael McGrath T.D and the Minister for Social Protection, Heather Humphreys T.D have today (Tuesday) provided further details surrounding the changes to the pandemic support schemes put in place by Government, as announced by Government last night, in line with revised health restrictions.

This is being done in order to provide the greatest level of support to businesses and those whose jobs may be at risk during this time. The changes are designed to ensure that, to the greatest extent possible, as many employees can retain the link with their employer, allowing them to return to the workforce at the earliest opportunity, and to give businesses the greatest changes of getting through the coming weeks.

**The changes:**

In relation to PUP, the Government has now introduced a fourth rate of payment for people whose gross earnings were €400 per week or higher prior to the pandemic.

They will now receive €350 in their PUP payment each with the rate change taking effect for all new applications received since Friday, 16th October.

Existing PUP recipients who previously earned more than €400 per week will have their PUP rate automatically increased and will receive the higher rate of €350 in next week's payment run.

The other three rates of PUP payment (€203, €250 and €300) remain unchanged.

New applicants are being urged to apply online at [MyWelfare.ie](https://www.mywelfare.ie).

The Government has also announced that the rate of subsidy provided under the Employment Wage Subsidy Scheme (EWSS) has been revised to better support businesses dealing with Covid 19 Level 5 restrictions.

Broadly, the EWSS rates will be aligned with the rates of payment under PUP, up to €350 per week, effective from the next payroll date after 19 October, as set out below.

Where the Covid Restrictions Support Scheme is concerned the qualifying turnover criteria for application to the scheme is now 25 per cent of the turnover for the corresponding period in 2019. This will allow more business to access this support.

**Minister Donohoe said:**

‘Consistent with the revised health restrictions that have been announced by Government, a decision has been made to revise the pandemic supports that have been key to sustaining businesses and helping people to manage financially in the midst of this very challenging time’.

“The Employment Wage Subsidy Scheme is being enhanced, with a maximum rate now payable at €350, bringing it in line with revisions that are being made to the Pandemic Unemployment Payment.”

The objective of this move is to minimise the risk of migration from EWSS to PUP during enhanced level restrictions. To the maximum extent possible, the aim is to have as many as possible of the 350,000 employees currently on EWSS retain their link with their employer rather than become unemployed.

“Changes are also being made to the Covid Restrictions Support Scheme (CRSS) to allow a greater number of business to access the supports they need. This will be crucial to getting our economy, and the businesses who drive it, back up and running when restrictions are lifted.”

**In relation to the changes to PUP, Minister Humphreys stated:**

‘The Government has had to make very difficult decisions that will impact on businesses and workers. Covid-19 is once again widespread in our community. We have therefore had to take the difficult decision to ask businesses to close once again in the interest of public health’.

“The structure of PUP has changed significantly since it was introduced as a flat rate payment of €350 in March when it was initially intended to be only a 6-week payment.

“The payment is now linked to a person’s prior earnings and will now have four earnings related bands. These changes ensure that PUP is fairer, more equitable and sustainable and have allowed Government to extend the payment until next April.

“The introduction of a new €350 rate of payment for persons who had prior weekly earnings of €400 will help to ensure that people do not see a cliff-edge drop in income.

“The new rate will take effect immediately for all new PUP applicants. Existing PUP recipients who previously earned more than €400 per week will have their PUP rate automatically increased and will receive the higher rate of €350 next week.

“We are asking everybody to apply for PUP online at MyWelfare.ie This is the quickest and easiest way to apply. By applying online, it will mean my Department will be able to process your claim faster and get payment to you quickly.

**Also commenting today, Minister McGrath said:**

‘The Government has at all times stated that it will implement the necessary measures to protect the lives and livelihoods of our citizens. The decisions the Government has announced will have implications for the public finances in 2020. This will involve significant additional spending on income and business supports and is definitively the correct course of action at this time. It will protect the economic well-being of families and give businesses the best possible chance of surviving this incredibly tough period. It is important to note that the expected deficit remains at the lower end of the forecast range we had envisaged in September of this year and a return to economic growth in 2021 will support our ability to reduce the deficit in a planned manner. The enhanced capital expenditure announced in the Budget will be of huge benefit in this regard’.

“Ireland has been through difficult times before and I am confident in our ability to get through this pandemic and preserve not only our economy but our society and culture too. By putting in place these supports we are ensuring that we are in a much stronger place when this pandemic passes.”

**Minister Donohoe went on to say:**

‘In last week’s Budget the Government committed to meeting the challenges for the economy posed by Covid-19. An unprecedented €17¾ billion has been made available to meet these challenges in 2021. The Government has also ensured that we have supported the economy, businesses and jobs in 2020’.

“Last week I indicated that Government had provided €24½ billion in support measures this year bringing us to a deficit of €21½ billion or 6.2% of GDP. This is in line with similar, comparative EU Member States. With the country moving to Level 5 restrictions for the next 6 weeks this will increase the levels of support the economy needs between now and the end of the year. It is entirely appropriate that the Government provides this support. It is estimated that increased spending on the enhanced Pandemic Unemployment Payment (PUP), Employment Wage Subsidy Scheme (EWSS) and the new Covid Restrictions Support Scheme (CRSS) combined with falls in tax revenue over the next 6 weeks could amount to a further €1¼ billion, on top of what had already been provided for. This will bring our deficit from -6.2% of GDP to -6.5% for 2020.

“Due to the careful management of our finances in recent years, we are equipped to meet the challenges presented to us by Covid 19. And we will. By all pulling together, we can reduce the spread of this virus, in the way we have done before, allowing us to return to a more normal way of living in the not too distant future.”

**Ends**

## **Note to Editor**

### **Employment Wage Subsidy Scheme:**

#### **Revised rates:**

<b>Gross weekly pay</b>	<b>Revised Rates</b>
Less than €151.50	Nil
€151.50 – €202.99	€203
€203 - €299.99	€250
€300 - €399.99	€300
€400 - €1,462	€350
Over €1,462	Nil

#### **Previous rates:**

Under EWSS there have been three weekly payment rates/bands benefiting just below 350,000 employees as follows:

1. 0 - €151 = €0
2. €151 to €203 = €151
3. €203 - €1,462 = 203

The revised scheme will run to end January 2021.

#### **Cost:**

Based on the assumption that the 341,200 employees covered by EWSS in September remain in payment, the weekly incremental cost is estimated to be in the region of €38 million per week [see further detail below].

### **Pandemic Unemployment Payment:**

Yesterday, the Department of Employment Affairs and Social Protection released the latest figures on the numbers of people depending on PUP and the overall cost. It has issued payments this week that are valued at €65.5m paying 244,000 people. The overall cost of PUP to date is €3.81 billion.

While the €350 rate was available previously to those with prior earnings of €200 or more, it is now being reintroduced only for those with prior earnings of €400 or more. This will ensure that:

- PUP rates remain aligned with prior earnings, and
- PUP costs are more sustainable, in light of the expected increase in the numbers of people having to claim PUP.

As a result of the changes PUP will now be paid at four rates:-

- Those with prior gross weekly earnings below €200 will continue to receive a rate of €203 per week. This group will represent 19.7% of recipients and on average PUP will equate to 226% of prior employment earnings (€90 pw).
- Those with prior gross weekly earnings of €200 to €299.99 will continue to receive €250 per week. This group will represent 15% of recipients and on average PUP will equate to 100% of average prior employment earnings (€249 pw).
- Those with prior gross weekly earnings of €300 to €399.99 will continue to receive €300 per week. This group will represent 15.6% of recipients and on average PUP will equate to 86% of prior employment earnings (€350 pw).
- Those with prior gross weekly earnings of €400 or more will receive a rate of €350 per week. This group will represent about 50% of recipients. PUP of €350 will equate to about 97% of prior net earnings for a person who earned €400 per week and 65% of net prior employment earnings of all people who earned in excess of €400 per week.

### **Applying for PUP**

Minister Humphreys is advising people who may be made temporarily unemployed as a result of the move to the new level of restrictions that they should apply online.

The easiest and quickest way is to do so online at [MyWelfare.ie](https://www.mywelfare.ie). When applying, people should provide the name of their employer and details of their last day of employment. Over 95% of people who applied for PUP last week did so online, ensuring that their payment was processed quickly.

In the interests of the public health advice and observing social distancing people are also asked, if at all possible, not to attend their local Intreo Centre. Instead, they should avail of the online services available through [MyWelfare.ie](https://www.mywelfare.ie).

Those who apply by 5 p.m. on Thursday, 22nd October will be paid into their bank account on Tuesday 27th October. Those who apply after that date will receive their first payment on Tuesday 3rd November.

### **Covid Restrictions Support Scheme:**

The Covid Restrictions Support Scheme (CRSS) is designed to assist businesses whose trade has been significantly impacted or temporarily closed as a result of the restrictions as set out in the Government's Living with Covid-19 Plan.

As we are facing into a period of greater restrictions nationwide, this will see a greater range of businesses who will be impacted. Minister Donohoe has therefore decided to make a further enhancement to allow more businesses access the scheme. For businesses continuing to trade, they may qualify if their turnover does not exceed 25 per cent of the turnover for the corresponding period in 2019. The sectors who can now avail of the CRSS include accommodation, food, the arts, recreation and entertainment, non-essential retail and hair and beauty.

### **Economic Interventions:**

- A restructured and enhanced EWSS will pay out an estimated €105 million every week to keep employees in work
- The new CRSS will see payments of an estimated €80 million per week to support the non-pay costs of businesses closed by Level 5 restrictions
- An enhanced PUP will be paid to those unfortunate enough to lose their jobs at an estimated cost of €135 million a week.
- Taken to together the total spend on EWSS, CRSS and PUP for the 6 weeks of Level 5 would amount to just under €2 billion.
- The Government today approved a moratorium of eviction of tenants to protect those in rental accommodation.
- For those with mortgages or business loans, mortgage breaks will be available to those who need them. This is one of an array of supports and choices available.