

# CONSTRUCTION INDUSTRY FEDERATION

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6 January 2021

**TO ALL MEMBERS**

## **COVID-19: INDUSTRY LOCKDOWN - JANUARY 2021**

### **INCOME SUPPORT SCHEMES, ILLNESS BENEFIT SCHEMES & SUSPENSION OF s12 OF REDUNDANCY PAYMENTS ACT 1967**

Dear Member

The government has announced that, other than essential services sites, the industry will close from 6pm on Friday, 8<sup>th</sup> January 2021. It is intended that the shutdown will be for a period of 3 weeks.

The industry returned to work on 18<sup>th</sup> May 2020 following the first lockdown in the industry. Since then, most employers put flexible working arrangements in place for those employees whose duties allow for such arrangements. Where work is available over the coming weeks, these arrangements can continue.

Arrangements can include:

- Flexible working – working from home or other remote working arrangements where feasible and practical;
- Agreement to work back the hours/days lost;
- Taking annual leave;
- Unpaid leave e.g. Parental Leave where appropriate.

For other workers in the industry i.e. craftpersons, general operatives and apprentices, flexible working arrangements are generally not possible and, therefore, it may be necessary to place these workers on temporary lay-off.

Outlined below are the latest details on the following:

1. Employment Wage Subsidy Scheme
2. Pandemic Unemployment Payment
3. Enhanced Illness Benefit
4. Construction Workers Pension Scheme – Sick Pay
5. Suspension of section 12 of the Redundancy Payments Act 1967



## 1. Employment Wage Subsidy Scheme (EWSS)

The Employment Wage Subsidy Scheme (EWSS) provides supports to employers across all sectors who are negatively affected by COVID-19. The Scheme is available for employers who keep staff on their payroll during the pandemic. Employees could be:

- Working full-time
- On temporary lay-off, or
- On reduced hours or reduced pay (or both)

From 1 January 2021, to qualify for the EWSS, an employer must be able to demonstrate a projected decline of at least 30% in turnover or in customer orders in the period from 1 January – 30 June 2021 versus 1 January – 30 June 2019, and that this disruption was caused by COVID-19. Eligible employers will receive a flat-rate subsidy of up to €350 per week per qualifying employee from Revenue. In contrast to the previous Temporary Wage Subsidy Scheme, the EWSS has re-established the normal requirement to operate PAYE on all payments. This includes the regular deduction and remittance of income tax, USC and employee PRSI. However, a 0.5% rate of employer's PRSI applies for employments that are eligible for the subsidy. The level of the EWSS subsidy payment will depend on the employee's gross pay per week as follows:

| <u>Employee Gross Weekly Wages</u> | <u>Subsidy Payable</u> |
|------------------------------------|------------------------|
| Less than €151.50                  | No subsidy             |
| €151.50 - €202.99                  | €203                   |
| €203 - €299.99                     | €250                   |
| €300 - €399.99                     | €300                   |
| €400 - €1,462                      | €350                   |
| Over €1,462                        | No subsidy             |

Employers may top up wages in addition to the applicable subsidy outlined in the table above up to the normal gross weekly pay.

Qualifying employers are required to undertake a review on the last day of every month to ensure the business continues to meet the eligibility criteria. Employers who no longer qualify must de-register from the scheme with effect from the following day.

### **Registering with ROS for EWSS**

To register for the EWSS, qualifying employers must:

- apply on ROS to be registered as an employer
- read and submit the on-line declaration to Revenue
- the employer must provide details of the employer's bank account on ROS in the 'Manage bank accounts' and 'Manage EFT' fields
- the employer is, throughout the qualifying period, eligible for a tax clearance certificate

A list of employers availing of the EWSS will be published on the Revenue's website in January 2021 and April 2021.

The Scheme is due to close on 31<sup>st</sup> March 2021. This date, however, may be extended.



Further information on the EWSS is available at [Guidelines on the operation of the Employment Wage Subsidy Scheme \(EWSS\) \(revenue.ie\)](#).

See template letter at Appendix 1 for workers who are going to be placed on temporary layoff and paid a subsidy through the EWSS.

## **2. Pandemic Unemployment Payment (PUP)**

The PUP applies to workers who are placed on temporary lay-off, or whose employment has been terminated, due to COVID-19. The Scheme is also available to the self-employed. Affected workers can apply directly to the Department of Employment Affairs & Social Protection to receive the payment at [www.mywelfare.ie](http://www.mywelfare.ie). Applications will be accepted up until 31<sup>st</sup> March 2021.

The rates of payment were last updated on 16<sup>th</sup> October 2020 and are as follows:

| <b><u>Weekly Earnings Prior to the Pandemic</u></b> | <b><u>PUP Payment Applicable</u></b> |
|---|--------------------------------------|
| Under €200  | €203                                 |
| €200 - €299.99                                      | €250                                 |
| €300 - €399.99                                      | €300                                 |
| €400 or over  | €350                                 |

The above rates were due to be amended in February 2021. However, they may remain in place for a further period. We will keep you updated on developments.

See template letter at Appendix 2 for workers who are going to be placed on temporary layoff and encouraged to claim the PUP.

## **3. Enhanced Illness Benefit**

The Enhanced Illness Benefit of €350 per week is applicable to workers who are medically diagnosed with COVID-19, or medically certified by a Doctor or the HSE to self-isolate. It will be paid for a maximum of two weeks where a person is self-isolating but will be paid for the duration of a person's absence from work if they have been diagnosed with COVID-19, up to a maximum of 10 weeks.

The payment is made from day 1 of absence.

## **4. Construction Workers Pension Scheme – Sick Pay**

In addition to the Enhanced Illness Benefit, workers who are registered with the Construction Workers Pension Scheme may be entitled to claim sick pay. The rules of the Scheme provide that workers who have at least 13 weeks of contributions in the previous 26 weeks will be entitled to sick pay. Eligible workers are entitled to sick pay for two weeks of medically certified self-isolation. For diagnosed cases of COVID-19, the general regulations of the sick pay scheme apply. Sick pay will be paid from the fourth day of absence for a maximum of 50 days per year and is paid at a rate of €44 per day. Further information is available at [www.cwps.ie](http://www.cwps.ie).



## **5. Suspension of s12 of Redundancy Payments Act 1967 to 31 March 2021**

On 24 November 2020, the Government agreed to extend the suspension of section 12 of the Redundancy Payments Act 1967 until 31 March 2021. This means that workers on temporary lay-off up to 31 March 2021 are prevented from claiming a redundancy lump-sum payment by reason of being placed on temporary lay-off. When this suspension is lifted, workers who have been on lay-off for at least 4 weeks will be entitled to make a claim for redundancy where they have at least 2 years' service. Employers will have the right to contest this payment and recall workers to work. All other redundancy provisions remain unchanged and in force such as the right to consultation, notice periods and the payment of a redundancy lump-sum where applicable. Please contact the Federation for further assistance in the event that a worker makes a claim for redundancy on foot of temporary lay-off.

We will keep you updated on developments.

If you have any queries in connection with the above, please contact the Industrial Relations & Employment Services Department at 01 406 6000. This circular will also be placed on the COVID-19 section of the CIF website.

Yours sincerely



Jean Winters  
Director  
Industrial Relations & Employment Services

