

Workforce Management webinar

5 May 2021



Agenda

- Wage support schemes
- Remote Working: Irish & International Tax Considerations
- Financial Wellness: Benefits for Employers & Employees
- Future of Work
- Questions

A man in a dark suit and white shirt is holding a tablet. The background is a blurred office setting. Overlaid on the image are various financial data points and charts, including a bar chart with blue bars and a line graph with a red trend line. The data points are in white and yellow text, some with plus and minus signs. The overall theme is business and finance.

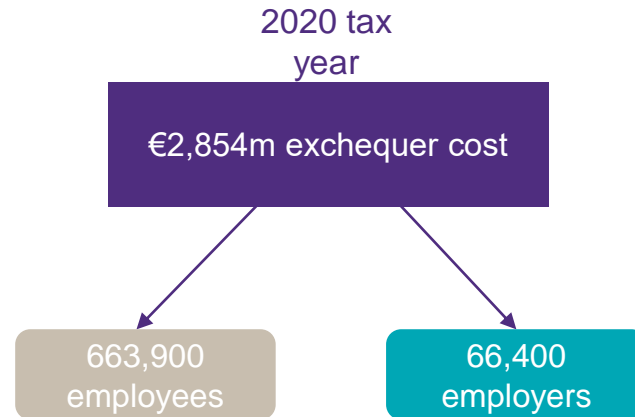
Wage Support Schemes

Michelle Dunne, Manager

Amy Adams, Manager

Temporary Wage Subsidy Scheme (TWSS)

- Scheme was in operation from **26 March 2020 – 31 August 2020**
- Replaced by the Employment Wage Subsidy Scheme (“EWSS”) from **1 September 2020**



TWSS Reconciliation

Reconciliation = TWSS subsidy amounts refunded by Revenue to employers v's subsidy amounts paid by employers to employees – applicable with respect to the 'transitional phase' of the TWSS

Reminder on the transitional phase:

- Operated from **26 March to 3 May 2020**
- Employer calculated the ARNWP and paid the relevant subsidy to employee via payroll
- Revenue refunded max subsidy of **€410** per employee per week to employers regardless of the subsidy paid to the employee via payroll
- The excess subsidy paid by Revenue will be reclaimed via the TWSS reconciliation process

TWSS Reconciliation

Reminder on stage 1

- Employers were required to report to Revenue the actual TWSS amounts paid to employees
- If you have not already completed stage one, you should do so now
- Failure to provide the relevant details may result in Revenue recouping the TWSS paid and related interest charges
- Revenue have written to employers who have yet to respond or who did not respond with sufficient data

What to expect under stage 2

Reconciliation statements for most employers were issued on Monday, 22 March 2021

Once received, employers have until 30 June 2021 to:

- accept the reconciliation calculation issued by Revenue via ROS
- make corrections to payslips if necessary
- make an enquiry through MyEnquiries



Once an employer accepts the reconciliation calculation, a Statement of Account will be sent to their ROS inbox. This will require employers to pay any additional amount owed to Revenue or if necessary, they will be paid any additional amount owed by Revenue to them

Revenue Guidance - <https://www.revenue.ie/en/employing-people/documents/twss/twss-reconciliation-guidance.pdf>

TWSS Tax Liabilities

- The subsidy amount paid to employees via payroll was not subject to tax under the PAYE system
- But amount received by the employee is liable to income tax and Universal Social Charge (USC)

Subsidy paid to employees are treated as part of the employees' emoluments i.e. salary and wages, for tax purposes

Amount of TWSS paid in 2020 and the tax position will be verified by Revenue on the employees' Preliminary End of Year Statement for 2020

- Available to every employee since **15 January 2021** via the Revenue's MyAccount service
- Statement will not be provided to employers

Options to pay the income tax and USC

1. Adjustment to the employee's tax credits and rate bands over a 4-year period beginning in 2022
2. The employee may pay the full amount due to Revenue in one payment or may partially pay and the balance will be satisfied by a reduction in their tax credits
3. The employer may pay the tax liabilities on behalf of the employee

TWSS Tax Liabilities – BIK Concession

Guidance from Revenue expected

Employers can pay employees' TWSS tax liabilities without an additional tax charge. Revenue have confirmed that no Benefit in Kind (BIK) and therefore no additional tax charge will arise for the employee where the employer pays the income tax and USC arising on the TWSS payments

Preliminary End of Year Statements available online so employees can view their statements in myAccount. Note that not all employees will receive a Preliminary End of Year Statement i.e. those self-assessed to income tax.

Statement will not be provided to employers by Revenue.

Give employee(s) the funds to pay the liability or amend the final payroll submission for 2020

Deadline of 30 June 2021

* Revenue have indicated that this deadline may be extended

Employment Wage Subsidy Scheme (EWSS)

How to qualify in 2021

- Eligibility for the EWSS from **1 January 2021** will be based on a 30% decline in turnover or customer orders in the period **1 January 2021 to 30 June 2021** compared to the same period in 2019.
 - Projections and calculations needed
 - Robust documents and evidence to support projections
- May be the case that neither of the above tests (turnover or customer orders) are capable of being applied to the business in question. If so, an alternative reasonable basis should be applied
- Revenue guidance should be sought in such cases where the alternative reasonable basis test is to be applied
- Special rules apply where the business commenced after **1 January 2019**
- Must have tax clearance – if no tax clearance cannot register
- If you satisfy the conditions for 2021 and want to claim the EWSS subsidy you must register in advance of your next payroll run
 - Recommend give 48 hours for registration to be completed before a claim can be made
 - Make a claim with each payroll – specific steps to be followed
- Must continue to review eligibility on a rolling monthly basis

EWSS how to qualify in 2021

What employers must do

1. Retain evidence of appropriate documentation, including copies of projections to demonstrate continued eligibility over the specified period
2. Undertake a review on the last day of every month to ensure continue to meet the eligibility criteria

If you no longer qualify, with effect from the following day of the review

- Deregister from the EWSS
- Cease claiming the subsidy

If you subsequently qualify you can re-register

“Revenue appreciates that in exceptional circumstances, certain unforeseen events may occur which require the employer to revise the original budget estimate impacting trade, receipt of an unexpected donation, entering into a significant new sales contract, etc.”

“Revenue expects that employers will retain evidence of appropriate documentation, including copies of projections, to demonstrate continued eligibility over the specified period. It is reasonably expected that the assumptions which underpin the projections will be reliable, will reflect the operating conditions of the business, and will remain materially unchanged”

EWSS subsidy rates

The EWSS subsidy rates are currently:

Gross Weekly Pay	Rate of Subsidy to employer
Less than €151.50	Nil
€151.5 - €202.99	€203
€203 - €299.99	€250
€300 - €399.99	€300
€400 - €1,462	€350
Over €1,462	Nil

EWSS compliance checks

- Revenue are undertaking risk based real time compliance checks by reaching out to employers



- Assurance check programme may be carried out at a later stage



- Revenue will issue details on how this future assurance check program will operate prior to commencement

Revenue are seeking:

- A summary of the impact of COVID-19 restrictions on the turnover of the business,
- A detailed explanation and supporting documentation concerning the monthly reviews undertaken,
- Details of projected and actual turnover with any relevant adjustments to support entry into the scheme, and
- Assumptions underpinning the projected turnover figures

EWSS paying back the subsidy

Where either Revenue request the EWSS subsidy amounts are repaid or an employer makes their own assessment to do so, the practical steps for repayment are as follows:

1. The relevant payroll for the period in question needs to be resubmitted to Revenue without the EWSS market ticked on the payroll software
2. Revenue will recalculate the employer's PRSI liability at the standard rate (11.05% vs 0.5%) and a statement will be generated outlining the amount due – the employer pays accordingly
3. The EWSS subsidy amounts received should then be repaid separately via Revenues 'Rev-Pay' system – the EWSS option should be selected from the dropdown menu

Payments & Refunds

[Submit a Payment](#)

You can choose to make a payment or declaration against a registered tax by selecting a payment type from the below drop-down list.
Choose Tax Payment/Declaration and TWSS (Employer) to make a payment for Temporary Wage Subsidy Scheme
Choose Tax Payment/Declaration and EWSS to make a payment relating to the Employment Wage Subsidy Scheme

Tax Payment/Declaration ▼ EWSS ▼

Make Payment →



Remote Working: Irish & International Tax Considerations

Joanne Sinnott, Associate Director
Employer Solutions

Scenarios for Irish employers / employees



Employees stuck overseas & unable to return due to Covid-19



Employees choosing to move country during the Pandemic



Assignments extended longer than expected



Employees returning to Ireland from abroad








Relocating employees to new locations



What are the tax risks?



Covid-19: concessionary measures for 2021

	Residence Rules	“Force majeure” circumstances, days in Ireland not counted during 2020
	Cross Border Relief	Days spent working in Ireland in 2021 will not preclude individual qualifying for relief providing certain conditions met
	Covid-19 Testing	No BIK
	Employer Provided Accommodation	No BIK where temporary accommodation provided to mitigate risk of transmission
	Permanent Establishment	Due to travel restrictions related to Covid-19 individual is in Ireland, or, is in another jurisdiction and would otherwise have been present in Ireland, Revenue will disregard for CT purposes

Concessionary measures that ceased

Foreign Employments

- Revenue did not enforce payroll obligations for genuine cases during 2020
- Concessionary measure ceased to apply **31 December 2020**

Extensions to Certain Reporting Deadlines during 2020

- SARP applications, PAYE Dispensations, Share schemes
- Concessionary measures ceased to apply **31 December 2020**
- Normal deadlines apply from **1 January 2021**

Cost of assisting employees return to Ireland

- No BIK during 2020
- Concessionary measure ceased to apply **31 December 2021**

Other employment tax updates

E-working Expenses

- Employer may pay €3.20 per day; or
- Employee may be entitled to make a claim via year end tax return

BIK Exemptions

- Provision of equipment to set up home working space
- Taxis to/from work due to health/safety concerns
- Special concession to the small benefit exemption of €500 per year for certain frontline and key employees

Company Cars/Vans

- Employer takes back possession – no BIK
- Employer prohibits use – no BIK if no private use
- Employer allows limited private use – Jan 2020 (or a reasonable alternative) used as based for calculating BIK
- Employee continues working as normal – normal BIK rules apply

Remote working abroad - Irish tax considerations



Foreign payroll reporting obligations

- Potential dual payroll withholding obligations
- Irish PAYE Exclusion Order may be applied for in certain cases



Social Security considerations

- Social security should only apply in one jurisdiction
- Consideration required regarding EU regulations / bilateral agreements for retention certificates



Tax resident status of employee

- Residency rules for each jurisdiction
- Potential concessionary force majeure measures due to Pandemic
- Consideration of Double Taxation Agreements (DTAs) required
- Impact on certain reliefs should be considered



Employment law

- Local employment law considerations, e.g. health & safety, minimum wage requirements
- Paid leave / public holidays
- Visa requirements

Brexit implications

Social Security

- Social Welfare Order 2020
- Maintenance of social security rights under the Common Travel Area arrangements

Personnel mobility matters

- No change to underlying tax rules in Ireland
- May be an increase

Advice to employers

- Review of workforce
- Identification of employees affected by immigration restrictions



What next?



Working remotely –
long term?



Virtual assignments?



Longer term impact
of displaced
employees?

Financial Wellness: Benefits for Employers & Employees

Debbie Fry, Associate Director
Private Client

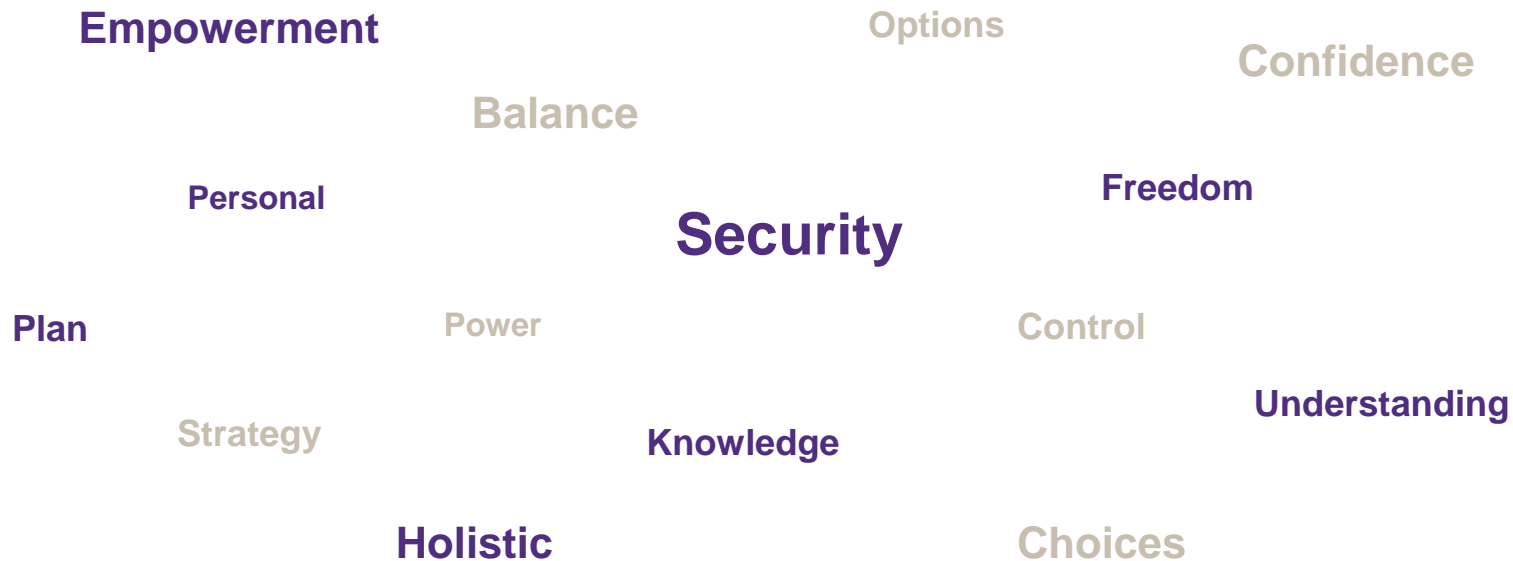


A person is riding a bicycle away from the camera on a paved path that leads into a vast, open landscape. The person's arms are outstretched to the sides, suggesting a sense of freedom and well-being. The background features rolling hills and mountains under a bright, hazy sky. The overall atmosphere is peaceful and inspiring.

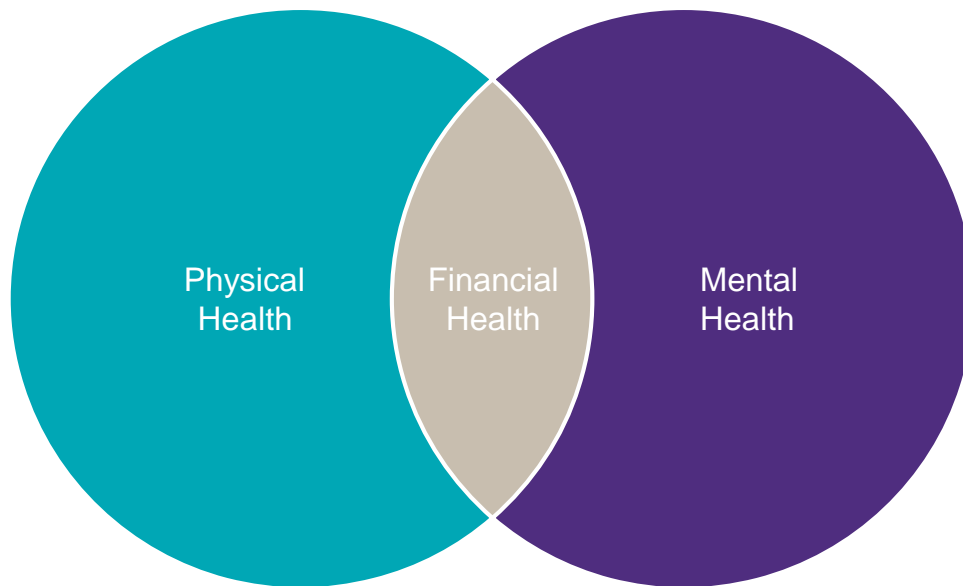
**“Health is a state of body.
Wellness is a state of being.”**

- J Standford

What is financial wellness?



What is financial wellness?



Outgoings

Buying a house

Household bills

Childcare costs

Education

Retirement planning

protection benefits

Illness costs

Ad hoc expenses

Knowing your outgoings

Protect yourself

Manage your income and expenses in a tax efficient manner

- medical expenses – can claim back last 4 years
- tax efficient protection benefits – if have cover in place, is it fit for purpose, are you claiming any relief available
- create a savings plan no matter how small – make your money work for you

What can you do?

Financial security is something most people strive for yet many fall short due to avoidance of taking time to really consider their income and expenditure or failing to implement a realistic budget to control their finances and set achievable goals

- ❑ educating yourself and your employees on understanding a payslip
- ❑ educating employees on how to get the most out of their “MyAccount”
- ❑ understand your current financial position - how can you plan for a future if you don't understand your present?
- ❑ consider pension planning as soon as possible
- ❑ review any deferred pension arrangements
- ❑ savings/Investments – it's not just about what you save, its also about where you save it



Employer considerations

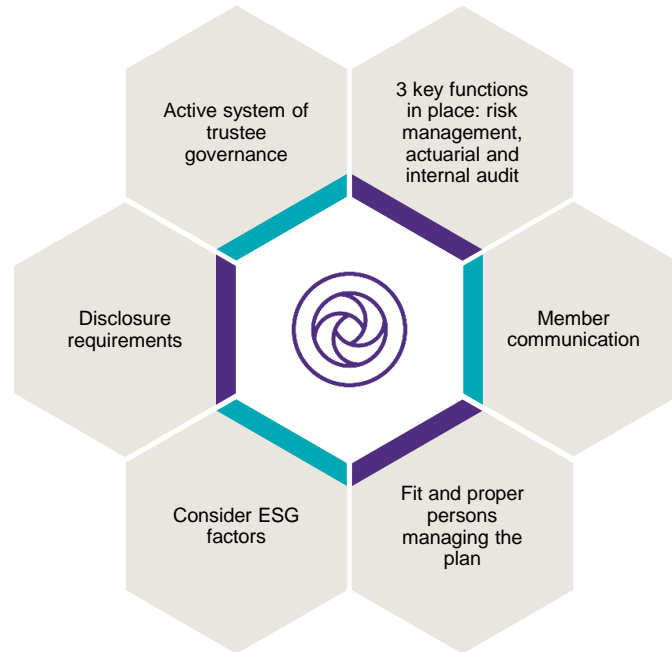
The pension landscape has changed significantly over the past ten years and scheme structures can be left in the past. There are a number of key considerations for employers including:

- ❑ Is your scheme fit for purpose? Do you pay for trusteeship or have policy fees? what is your allocation on contributions?
- ❑ Auto enrollment
- ❑ Ensure Trust deed allows any amendment to contributions
- ❑ get clear guidance from your risk provider on any risk benefits and the impact of any subsidies/reduction of salaries on the benefits/potential claim
- ❑ impact of remote working on risk benefits/claims



IROPS II

The Minister transposed the IORPII Directive on the 27th April 2021. Summary of some of the key points



Tax efficient risk benefit options available

Death in Service benefits

Employer pension and death in service contributions benefit from corporation tax and PRSI relief; employer funding of income protection can be treated as a trading expense and receive corporation tax relief

Death in Service benefit is Life cover set up by the Employer for the benefit of the employees or a self employed individual

There needs to be at least 3 employees in a group Death in Service and/or Income protection scheme. If you have less than 3 employees, any risk benefits would be set up as individual policies through the company

Death in service insurance (lump sum payable on death) is provided by the majority of employers

Income Protection benefits

Income protection benefit insures a proportion of an employee's income in the event of medium or long term absence due to illness or incapacity

Income protection benefits are set up to provide an employee with an income in the event they are unable to work due to accident or illness

The standard structure would be cover of $\frac{2}{3}$ x salary less 1 social welfare benefit. The cover would be payable after a deferred period which is usually 26 weeks

Employer benefits

Employees are not the only ones who benefit from improved financial wellbeing, management can see their bottom line increase through improved morale in employees who feel financially secure.



a positive workplace increases productivity. More appreciation and understanding due to an increased knowledge



reduced absenteeism, Increase workforce engagement and productivity as employee's aren't distracted by financial worries

Employee retention

Employees who feel that their worries and concerns are being addressed and cared for by their employees are more likely to remain loyal to the business

How can financial wellness be facilitated by employers?

- **Virtually** at a time that suits you and your employees
- **Seminars** for both executive and employee level
- **Drop in clinics** usually 20-30 minutes per employee
- **One to one** employee sessions where the financial wellness team can go through the steps required to create a bespoke financial plan



Future of Work: Leadership & Organisational Challenges and Opportunities

Michael McKiernan, Director
Advisory - People & Change Consulting

Future of Work

For many workers, Covid-19's impact has depended greatly on one question: 'Can I work from home or am I tethered to my workplace?'

Quarantines, lockdowns, and self-imposed isolation have pushed tens of millions around the world to work from home, accelerating a workplace experiment that had struggled to gain traction before COVID-19 hit

Hybrid models of remote work are likely to persist in the wake of the pandemic for highly-educated, well-paid minority of the workforce

The virus has broken through cultural and technological barriers that prevented remote work in the past, setting in motion a structural shift in where work takes place, at least for some.



Key themes companies need to consider...

Grant Thornton's experience with clients in the market has established some key themes that companies need to consider, as they 'formalise' their remote working policies and framework.

Environment	Governance and oversight, regulatory obligations, data security, risk awareness training
Technical	Inventory tracking, infrastructure security, robustness of WFH infrastructure, Service desk support, system monitoring
Wellbeing	Health and Safety at home, WFH training, work/home boundaries, flexible working and support for staff
Culture	Tone from the top, Communications, Vision and Values
Return	H&S at work, risk and threat assessment, impact analysis

The future of work

More than 20% of the workforce could work remotely three to five days a week as effectively as they could working from an office.

If remote work took hold at that level, that would mean 3-4 times as many people working from home than before the pandemic, and would have a profound impact on urban economies, transportation, and consumer spending, among other things.



Let's focus on the
impact on
leadership and
organisational
challenges &
opportunities

Challenges of leading remote teams

Our research has highlighted the biggest challenges in the new world of work are:

01

Isolation

Isolation and the lack of face-to-face interaction; raising well-being and mental health issues.

Staff who are socially connected are 2-3 times more likely to maintain or improve productivity

02

Training

Remote working skills have not been taught; most have focused on developing technical capability but not the social, communication, and collaboration skills required.

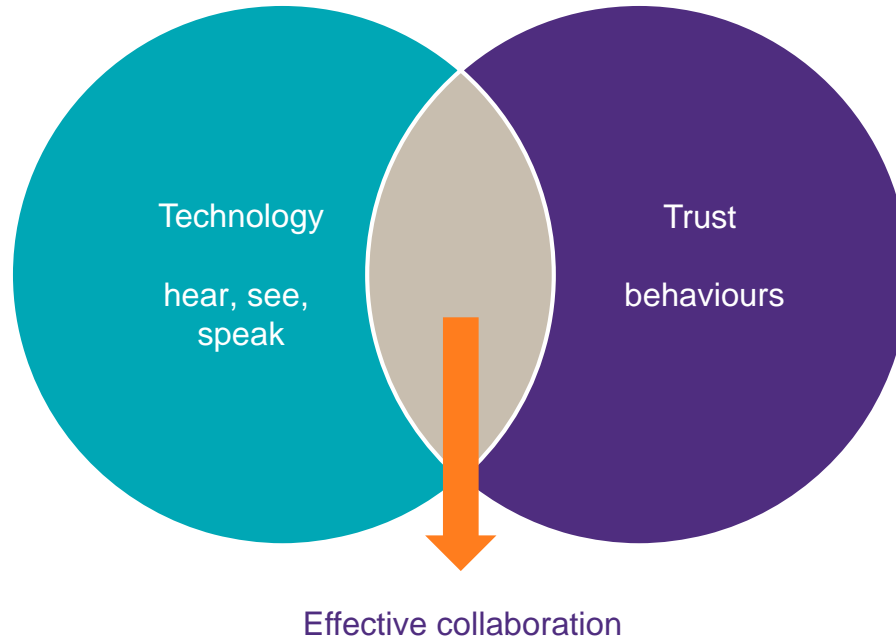
03

Practices

Organisational policies and benefits are lagging behind the new reality; what employees value has changed, and policies need updating

Leadership

Employees want to continue to collaborate, but how do we do that effectively at a distance?



Updating working practices & benefits

Most requested perks for remote workers:



Stipend for home office equipment

(most requested: high quality ergonomic chair, second monitor, standing desk)



Flexible hours

(including banking hours, reduced hours, 4 day workweek)



Bill reimbursement

(internet, phone bill, home utilities)



In person team building retreats / activities



Monthly food budget/gift cards or delivery



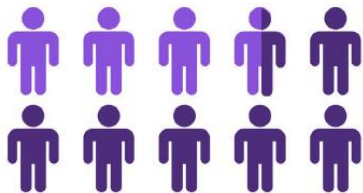
Home exercise equipment or local gym membership



Encouragement to work from anywhere in the world / travel

Updating working practices

August 2020



35% of existing staff
39% of new staff
29% of HR leaders

rate their organisation's **remote work policies** as **"very clear"**

(Original research, Aug 2020)

Consider:

- Health & Safety / Insurance
- Data security: use of personal devices for work
- Tax (cross-border workers)
- Reporting working hours
- Employee monitoring

Recommendations

In order to overcome the challenges and take advantage of the opportunities in the new world of work, we recommend:

01

Encourage hybrid work arrangements - be thoughtful about matching the work to the location / technology

02

Re-orient and train staff in remote working skills, focus on leadership, communication and EQ skills

03

Align your benefits to what matters most to staff; and refresh your policies for the new reality

Questions?



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