
Minister Donohoe announces extension of Temporary Wage Subsidy Scheme until end August

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The Temporary Wage Subsidy Scheme (TWSS) was introduced on 26 March to support the viability of firms and preserve the relationship between the employer and employee, insofar as is possible, by subsidising a portion of the employer wage bill in circumstances where the employer's business has been negatively impacted by the restrictions that have had to be introduced to stop the spread of the COVID-19 virus.

Along with the Pandemic Unemployment Payment (PUP), it is a significant though temporary measure that has been introduced to attempt to minimise the negative impact on the labour market through an exceptional period, where at least one million workers rely on some form of income support from the State.

So far, over 58,300 employers have registered for the TWSS and over €1.37 billion has been paid out, supporting over 514,700 employees who have received at least one payment.

As set out in the Roadmap for Reopening Society and Business, public health restrictions will likely remain in place for a significant numbers of businesses and employers until Phase 5, which has an indicative start date of 10 August.

Having regard to the novel set of arrangements surrounding the re-opening of the economy, as well as the need to avoid the risk of forcing otherwise viable firms to close, the government has agreed that, as matters stand at present, the TWSS will remain in place until the end of August.

The cost of the scheme remains significant with over €500 million paid out per month so far. The TWSS will therefore continue to be monitored closely in the coming weeks and months.

Speaking today, the Minister for Finance and Public Expenditure and Reform, Paschal Donohoe, TD said:

"I have always been clear that this support cannot last forever, but I am satisfied that a decision has been made, for now, to continue the scheme until the end of August. As the public health restrictions are eased in the coming weeks, I will expect to see a continued decline in reliance on the scheme throughout the summer as the economy continues to re-open and people are able to return to work. This economic recovery will be monitored and will inform a decision later in the summer on the need for further extension or tapering beyond August."

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