

Department of Children and Youth Affairs (DCYA)

Temporary COVID-19 Wage Subsidy Childcare Scheme (TWSCS) – Factsheet

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The Temporary COVID-19 Wage Subsidy Childcare Scheme (TWSCS) was developed to sustain the (ELC) and School Age Childcare (SAC) sector at this time of crisis and in conjunction with the wider Government / Revenue Temporary COVID-19 Wage Subsidy Scheme. The DCYA Temporary COVID-19 Wage Subsidy Childcare Scheme is a temporary scheme and is an exceptional measure devised to respond to the crisis of COVID-19.

The TWSCS will replace ECCE, NCS, CCS, TEC & AIM funding programmes on a temporary basis.

Specifically, the TWSCS is seeking to:

- Enable ELC and SAC Providers to support and retain their staff following the sudden and unexpected closure of centre-based ELC and SAC services on 12th March 2020.
- Ensure that ELC and SAC services are in a position to reopen following the crisis, providing children, parents and families access to early education and care whilst also supporting parents to return to the workplace.
- Remove the pressures on parents to continue to pay their childcare fees under stressful circumstances, and to remove the concern that they may risk losing their child's place if unable to pay fees.

Key points of the Temporary COVID-19 Wage Subsidy Childcare Scheme:

Staff wages: In addition to the wage subsidy provided by Revenue under the Temporary COVID-19 Wage Subsidy Scheme, DCYA will top-up of wages of eligible ELC and SAC staff to the maximum additional payment an employer can make to receive full wage subsidy under the Revenue and DCYA schemes combined, to a limit of €586 per net weekly pay in line with the Revenue scheme.

Staff whose weekly wage is below €350: Where a staff member's pre-12th March 2020 weekly wage was below the DEASP set rate for temporary Pandemic Unemployment Payment (€350 net per week), DCYA will on a temporary basis top-up eligible employees' wages to €350 net per week, meaning that all staff will be encouraged to remain with their employer rather than sign on with the DEASP¹. Where an employee previously laid off has been re-hired / removed from the business payroll, the employee will qualify for the Wage Subsidy Childcare Scheme and their DEASP claim will be closed. In order to ensure correct payment of the wage subsidy, employees should use www.mywelfare.ie to close their claim immediately once they are taken back onto the business payroll.

Staff who were previously earning less than €350 per week can choose not to have their weekly wages topped-up to €350 under the DCYA TWSCS. There may be reasons employees would prefer not to have their pre-COVID wages raised and it is for the employee/employer to agree. Employers will be asked to provide this information through the application form for TWSCS.

Overhead payment: To reflect the unique circumstances of the sector, in addition to funding eligible staff wages up to the maximum additional payment an employer can make to receive the full wage subsidy under the Revenue and DCYA schemes combined up to the cap, services will also receive a further payment which will be a percentage of their total eligible staff gross weekly pay to be used towards ongoing / non-deferrable operational costs.

¹ Both the Pandemic Unemployment Payment and the Temporary Wage Subsidy Scheme are subject to tax and may affect the person's overall tax liability for the year.

The standard rate will be 15% of eligible staff gross weekly pay (or equivalent) with a minimum payment of €300 per week. This 15% is calculated based on the payroll submissions made to Revenue by the employer by 15 March 2020. The overhead payment is based on the January-February payroll as returned to Revenue and DCYA will backdate the contribution to 6th April 2020.

If a provider does not have any staff (sole provider), they can still sign up to the TWSCS Funding Agreement as normal and will receive the overhead payment of €300 per week.

Overhead payment must be used towards ongoing operational costs for the service and not towards further salary top ups. Evidence of expenditure must be maintained for compliance purposes.

Parent fees: One of the conditions of payment under the DCYA Temporary COVID-19 Wage Subsidy Childcare Scheme is that services will not charge parents fees and/or deposits or seek voluntary contributions for the period of the scheme, and that on reopening after COVID, their ELC/SAC place(s) will be secured for them. Services which do not sign up for the DCYA Temporary COVID-19 Wage Subsidy Childcare Scheme should discuss their situation with parents.

Revenue Temporary COVID 19 Wage Subsidy Scheme: Service providers must be registered with Revenue for the Temporary COVID 19 Wage Subsidy Scheme to apply for the DCYA Temporary COVID-19 Wage Subsidy Childcare Scheme. Note: On 15 April, changes to the Temporary COVID 19 Wage Subsidy Scheme were announced. The new rates apply from 4 May.

Continuous Professional Development (CPD): A condition of the Temporary COVID-19 Wage Subsidy Childcare Scheme is the engagement of services in Continuous Professional Development (CPD). Engaging with Continuing Professional Development is an opportunity for you and your staff team to add to their knowledge and skills while not working directly with children during the COVID-19 crisis. It also demonstrates your ongoing commitment to training and professional development within your setting.

Eligibility

Any service provider who had been operating DCYA funded ELC and SAC programmes as of 12th March 2020 and who has registered with Revenue for the Temporary COVID 19 Wage Subsidy Scheme is eligible.

There is no obligation on ELC and SAC service providers to sign-up to either the Revenue operated Temporary COVID-19 Wage Subsidy Scheme or the DCYA Temporary COVID-19 Wage Subsidy Childcare Scheme. However, from the date the DCYA Temporary COVID-19 Wage Subsidy Childcare Scheme goes live, no further payments will be made to centre based providers for the DCYA ELC and SAC programmes while the DCYA Temporary COVID-19 Wage Subsidy Childcare Scheme is in operation.

Participation in the DCYA Temporary COVID-19 Wage Subsidy Childcare Scheme is optional, and will not affect future participation in the Department's funding schemes. However, providers are strongly encouraged to participate, to ensure that the link with their staff is maintained, this would support continuity of care which is in the best interests of parents and children.

Under the TWSCS, an employer cannot compel an employee to come back on payroll if an employee has been previously let go and has registered on DEASP PUP. However, an employer must be able to demonstrate that they have tried to reinstate all employees. Employers should explain the impact of moving from DEASP PUP to DCYA TWSCS for employees, including the ability to maintain €350 gross payment per week.

Application Process

The application process for the DCYA Temporary COVID-19 Wage Subsidy Childcare Scheme will be in 2 phases.

Phase 1 - Accepting the Terms and Conditions of the TWSCS Agreement:

- The PAU for each organisation will receive an email from Pobal to the registered email account with a link to the Funding Agreement. Once the provider follows this link, they must input the email address and password contained in the email.
- The service provider will then be brought to the Funding Agreement, which must be read, required details input and the terms and conditions accepted.
- Once the required details are completed and the terms and conditions are accepted, the form should be submitted.

Note: Multi Service Organisations: The PAU will receive a separate email for each facility in the organisation. The Terms and conditions must be accepted for each facility. Pobal will contact the PAU of multi facility organisations only, after funding agreements are submitted as further information will be required. Funding for all services will be processed as a single payment into a single bank account to be nominated by the PAU.

Payments under Phase 1 will be made on a preliminary basis.

Phase 2 - Submitting the Application form:

The Application form will be available for submission on the Early Years Hive from the week beginning 11th May. An announcement will be made on the PIP Portal when the form goes live as well as an accompanying step-by-step how-to guidance document.

Support for completing the application process

An ELC and SAC provider can receive support to complete the application process through their local CCC. They can also contact the Early Years Provider Centre (EYPC) via email at eypc@pobal.ie or by submitting a Request on the Early Years Hive.

Payments

Payments under this scheme will apply from 6th April and will be initially estimated, pending receipt of the information required through the Temporary Covid-19 Wage Subsidy Childcare Scheme application form. This application form is currently being finalised and will be made available the week beginning with 11th May. A reconciliation of payments made for week 4th – 10th April under previous schemes ECCE (including AIM), CCSP, TEC and NCS will be done when processing the second payment due 1st May. The third and subsequent payments will be either estimated or based on information received through the Temporary Covid-19 Wage Subsidy Childcare Scheme application form. When the actual Wage Subsidy is calculated, a reconciliation will also take place against the preliminary payments already made.

Payments commenced the week beginning 20th April, and were in bank accounts on 24th April, to any service provider who accepted the terms of the funding agreement and submitted the form by Tuesday, 21st April. Payments are made to the employer and the employer pays the employee. Payments are liable to tax.

Payments will issue as follows:

	Date	No weeks	Weeks
1st payment	24-Apr	3 weeks	06/04-10/04
			13/04-17/04
			20/04-24/04
2nd payment	01-May	2 weeks	27/04-01/05
			04/05-08/05
3rd payment	08-May	2 weeks	11/05-15/05
			18/05-22/05
4th payment	22-May	2 weeks	25/05-29/05
			01/06-05/06
5th payment	05-June	2 weeks	08/06-12/06
			15/06-19/06

Note: The TWSS cannot be applied retrospectively. A participating ELC and SAC provider must not amend a payroll submission already reported to Revenue. The original payroll has already been processed and employees paid. However, where ELC and SAC providers have provided additional payments to employees under the TWSS on payrolls submitted since 6 April, the Department of Children and Youth Affairs will reimburse the providers for these additional payments.

Where employees on TWSS had an Average Revenue Net Weekly Pay (ARNWP) of below €350 and received less than the €350 TWSCS floor for payrolls submitted 6-19 April, the employees will be paid an amount to cover the €350 floor for this period by the DCYA in the first actual payment for TWSCS. Information regarding these payments will be provided by services through the application form. Services should only pass this on to employees once the TWSS/TWSCS schemes are expired.

For guidance on calculating top-up payments under the TWSS and TWSCS, please see the [Temporary Wage Subsidy Childcare Scheme: A How-To Guide](#).

Compliance

Participants in the scheme must maintain evidence of compliance with the terms and conditions of the TWSCS Funding Agreement, and produce such documentation upon request to the DYCA or Pobal. This may include both financial and other records. It may be checked to verify payments and ensure compliance with the scheme's requirements. Included in this is evidence that:

- The Childcare Service has sought to reinstate Childcare Staff who were laid off on or after 12 March 2020.
- The Childcare Service has, upon re-opening following COVID-19 mandated closure, retained the place of each child who was registered with their service on 12 March 2020.
- The Childcare Service has not charged any fees to parents for the duration of the TWSCS Agreement, or has returned fees already paid for the period following 6 April.
- Funding for topping-up pay has only been used towards Childcare Staff payroll.
- The Childcare Service has, where possible, encouraged Childcare Staff to engage in training and Continuous Professional Development (CPD) during this closure period. Providers can use the template available on the DCYA First 5 CPD webpage to make a CPD plan and to record activities.

- The funding provided for overheads is used towards ongoing costs incurred by the Childcare Service.

Pobal or the DCYA may also seek further information or records to ensure the accuracy of information or payments provided, or to confirm that the scheme's requirements are being met.

Information and Resources

TWSCS Agreement: The terms and conditions of the Temporary Wage Subsidy Childcare Scheme are contained within the Scheme Agreement available on the PIP Portal [here](#).

DCYA Information & FAQs: Services can find more information about the DCYA Temporary COVID-19 Wage Subsidy Childcare Scheme in the FAQs on the PIP Portal [here](#). Updates will be made to these FAQs as soon as further information becomes available. It is recommended that service providers check these regularly.

TWSCS How-to-Guide: The Temporary Wage Subsidy Childcare Scheme: A How-To Guide is a guide which sets out information on the practicalities of operating the DCYA Temporary Wage Subsidy Childcare Scheme (TWSCS). It aims to be informative and useful for providers processing payments for the period of the scheme and is available on the PIP Portal [here](#).