EMPLOYEE NAME

ADDRESS

DATE

Dear NAME,

I wish to inform you that [COMPANY NAME] is now availing of the COvid-19: Temporary Wage Subsidy Scheme. This will come into effect from [DATE].

You may receive an increase in take home pay initially, however I wish to inform you that the subsidy portion of the payments are liable to income tax; however, the subsidy is not taxable in real-time through the PAYE system during the period of the Subsidy scheme. Instead you will be liable for tax on the subsidy amount paid to them by their employer by way of review at the end of the year.

When an end of the year review takes place, it may be the case that your unused tax credits will cover any further liability that may arise. Where this is not the case, and should an Income Tax liability arise, it is normal Revenue practice to collect any tax owing in manageable amounts by reducing an individual’s tax credits for a future year(s) in order to minimise any hardship.

Additionally, if an individual has any additional tax credits to claim, for example health expenses, this will also reduce any tax that may be owing.

Should you have any queries in relation to this please contact [NOMINATED PERSON].

Finally, let me take the opportunity to thank you for your continued support during this difficult time.

Yours Sincerely,

(Signed for and on behalf of the company)