

## NEWSLETTER

July 2020 Issue



### IN THIS ISSUE

Contents	Page No.
POD Firm Updates	1
Business Supports	2
TWSS: Employer Compliance Check	3
COVID-19 Mortgage Support	4
Parents of Newborns Get Three Extra Weeks' Leave	5



IRISH  
ACCOUNTANCY  
AWARDS  
2020

Advisory Team  
of the Year –  
SME Finance

**FINALIST**

### 1. Paul O'Donovan & Associates Firm Updates

We are excited to announce that we have been shortlisted to the Irish Accountancy Awards 2020 for Advisory Team of the Year in SME Finance. It is a fantastic achievement and we would like to thank our staff and clients for their support and loyalty through the pandemic over the past few months.

Paul O'Donovan & Associates continues to be committed to helping our clients navigate and manage the effects of the pandemic on their businesses in what can only be described as a dynamic situation. As our office begins to physically reopen the health and safety of our staff and clients remains a priority. However, we are available for you to contact us.

Paul and his team are happy to meet with you on video calls and have had great success in meeting remotely through whatever device is handy to you, computers / phones / tablets. Anyone seeking a meeting please email us and we can set this up for you. It continues to be our primary method for meeting clients for the time being. If you need to drop documents to the office, you are welcome to do so. Our office is open from 9am to 5pm Monday to Friday. However, if you need to physically meet with a member staff please note we are operating this by prior appointment only.

You can arrange this by contacting the office on 021-4321799 or [info@paulodonovan.ie](mailto:info@paulodonovan.ie).



## Paul O'Donovan & Associates

Chartered Accountants and Registered Auditors

### **2. July Jobs Package: Business Supports**

Minister for Public Expenditure Michael McGrath stated that there has been a discussion on a range of supports for businesses to be included in the July jobs package of stimulus measures, which will be announced next week.

These included the extension of the credit guarantee scheme, as well as working capital grants for businesses. An extension of the decision to suspend local authority rates is also likely, but that no decision has been made on how long, or how big the overall package of supports would be.

The Government is also examining changes to the Pandemic Unemployment Payment and agreed there should be no “cliff-edge end” to the scheme, which is supporting hundreds of thousands of workers who lost their jobs as the pandemic hit.

Mr. McGrath also stated that the Government is also looking at whether it would be possible to “accelerate the commencement of shovel-ready projects that are labour intensive and can get people back to work quickly”.

Minister for Foreign Affairs, Simon Coveney, said there had been “very, very little progress and quite a lot of frustration” in talks between the European Union and the UK over their future relationship.

*“We hope the UK will adapt its approach to the commitment that they made in the political declaration which they have moved away from as these negotiations began, so we can try to put the pieces of this agreement in place.”*

He said it was imperative to avoid the consequences of a “no-trade-deal Brexit” which he said would be “an enormous act of self-harm but also an extraordinary failure of politics, in my view, if we were at the start of next year to be trading on the basis of WTO rules and regulations”.



## Paul O'Donovan & Associates

Chartered Accountants and Registered Auditors

### **3. Temporary Wage Subsidy Scheme Employer Compliance Check**

Revenue have now commenced a review on compliance with the Temporary Wage Subsidy Scheme ('TWSS'). This means that Revenue are contacting employers who have received TWSS payments.



#### **What this means for you?**

Revenue is contacting employers and asking for certain documentary evidence to establish that:

- ✓ Scheme eligibility criteria is met
- ✓ The correct amount of subsidy is being claimed and paid to employees
- ✓ The subsidy amount is being correctly identified in employee payslips
- ✓ The scheme is operating correctly

Generally, the information Revenue will ask for is:

1. An outline of the business and principal activities
2. Who runs the payroll
3. Summary of the impact of the COVID-19 restrictions on turnover of the business
4. Confirmation that payslips were issued to all employees for the relevant periods
5. Confirmation that the payslips displayed the scheme subsidy amount
6. Copies of payslips for certain employees and pay periods

#### **You need to be aware of the following:**

- ✓ There are only five days to respond to the Revenue's request. Please contact us the moment you hear from them.
- ✓ Revenue may cease payments to employers who do not co-operate with the checks and reply within the five days, or who are not complying with conditions of the scheme.
- ✓ Depending on the responses received, Revenue may look for more detailed information.
- ✓ As part of this compliance check, Revenue may also check that the PAYE real time system is being operated correctly by the employer and if there are any outstanding tax returns.
- ✓ Where the employer has outstanding returns, they will be unable to avail of the favourable Debt Warehousing arrangements in respect of PAYE and VAT liabilities.

#### **How will they contact you?**

Revenue will send you a message through their My Enquires service. Once you receive this message, please contact us immediately so we can actively deal within the request within the short deadline.



## Paul O'Donovan & Associates

Chartered Accountants and Registered Auditors

### 4. Covid-19 Mortgage Support

Your existing mortgage approval – which is known as an Approval in Principle – is not affected by Covid-19. However, as you move to the next stages – a formal Letter of Offer followed by drawdown of the mortgage – you will likely be asked to confirm that your employment and income situation has not materially changed since you got your approval.

#### **Can I get a time extension to my existing mortgage approval if needed?**

Your lender may extend the period of your mortgage 'Approval in Principle' where your circumstances have not materially changed because of Covid-19. This will likely be for 3-6 months, but it may vary depending on the lender's assessment of an individual's circumstances.

However, if your circumstances have materially changed as a result of Covid-19, your lender may keep your application open on its system for a period of time; but this again may vary depending on the lender's assessment of an individual's circumstances.

After this period, the lender will undertake with you a review of your application which will likely include a request for you to provide an update on your employment and income situation.

#### **Can I expect a delay to drawing down my approved mortgage?**

Your lender will facilitate drawdown of your mortgage within its normal timeframe where all the standard requirements have been fulfilled and up-to-date documentation provided. However, some delay may occur due to factors beyond the lender's control.

#### **Is my existing mortgage approval at risk due to cessation of house building activity?**

No, your mortgage approval is ordinarily valid for 6 months – possibly longer with some lenders. Should you need more time due to a delay in house completion, your lender will work with you to facilitate this as much as possible.

If you have any concerns over a deposit you may have paid on a property, or any other aspects of the purchase contract, you should contact your solicitor.

#### **Is there any impact on stage payments?**

Lenders are continuing to process stage payments. However, if your circumstances have changed due to Covid-19 and you are seeking to progress a stage payment, you should contact your lender to see what can be done.

#### **Can I apply for a new mortgage today?**

Yes, all lenders remain open for applications for new mortgages for First Time Buyers, Mover Purchasers and those wishing to switch their existing mortgage.

#### **How long before I know if I have mortgage approval?**

All lenders continue to operate the mortgage application and approval process as efficiently and effectively as current circumstances allow. On receipt of a fully completed application and supporting documentation, a decision will be provided in a timely manner.



## Paul O'Donovan & Associates

Chartered Accountants and Registered Auditors

### **5. Coronavirus: Parents of Newborns to get Three Extra Weeks' Leave**

Parents of children born during the pandemic crisis will get an extra three weeks of parent's leave to offset the impact of having a child during the harshest lockdown measures, under Government proposals approved by the Cabinet on Monday.

The move was announced by Minister for Children Roderic O'Gorman on Monday evening at a post-Cabinet briefing in response to a Sinn Féin private members' Bill on maternity leave.

The memo supporting the policy was brought to cabinet by Minister for Justice Helen McEntee, with supporting work coming from the Minister for Social Protection, Heather Humphreys.



The Government's decision is that the proposals will be considered part of the Budget 2021 process, coming into force thereafter. The extension from two weeks to five will apply to all new parents once the reforms are approved, meaning an extra six weeks per family for two-parent families. The parents of children born in the pandemic will be eligible to take the leave at the same time as all other parents once the budget 2021 process is completed in November.

The National Women's Council of Ireland (NWC) said the measure fell far short of needs of mothers who were on maternity leave during lockdown.

Orla O'Connor, director of NWC said it was a welcome measure but had been expected to be announced in the budget and was in the Programme for Government. She said it does not come in until November so does not retain links between women and the workplace. She said many women lost out on support of family during maternity leave and babies missed key appointments.