

July Job Stimulus 2020

Recovering from Covid 19

The Stimulus will:

- help businesses to protect jobs and create new jobs
- support people without jobs, especially young people
- build confidence and solidarity in consumers and communities
- start preparing for a greener, more sustainable economy in the future

The Stimulus includes over 4 billion of direct expenditure, 1 billion of taxation measures to directly support businesses, as well as 2 billion in credit guarantees.

Interventions Prior to launch of July Stimulus

SME Bank Loan Breaks 27,264 Irish SME loans received breaks €6bn/28% of value of Irish SME loans have breaks	Temporary Wage Subsidy Scheme 415,000 recipients most recent pay period 618k employees paid at least once €2.14bn paid to date	Pandemic Unemployment Payment (PUP) 313,800 claimants €97m paid last week Live Register 221k	Covid-19 Illness Benefit 52,600 claimants of which 3,925 (7%) medically certified with Covid-19
€250m Restart Grant 42,766 applicants €148m applied for €128m paid	LEOs Business Continuity Vouchers 14,861 applied 11,431 approved €24.6m paid	LEOs Trading On-Line Vouchers 7,687 applicants 4,847 approved €11.4m paid	LEOs Online Training 28,074 participants LEO COVID Mentoring 6,370 participants
EI Financial Planning 688 Applicants 631 approvals €3.1m paid 4,500 client engagements	EI Lean Business Continuity Voucher 308 applicants 266 paid €665k	EI Sustaining Enterprise Fund €800k 148 applications being developed 51 received. 19 approved. €7.9m	EI Sustaining Enterprise Fund Small/HPSUs 40 applicants, 30 approved, €1.4m paid
MicroFinance Ireland 1,015 applicants 655 approved €17.7m sanctioned	SBCI Working Capital 3,361 applications 3,044 eligible 705 loans approved €86.2m sanctioned	InterTrade Ireland Emergency Business Voucher 246 applicants 171 approved €385k paid	Intertrade Ireland E-merge Voucher 312 applicants 159 approved €445k paid

Involving commitments of 14.6 billion

Value of Covid-19 Related Enterprise and Labour Measures

July Stimulus

Measure	Estimate of Assistance Available
Income Support Package <ul style="list-style-type: none">• PUP Extension• Employment Wage Support Scheme	PUP €700m EWSS €1.9bn
Expansion of the Restart Grant	€300m
Commercial Rates Waiver (6 months)	€600m
Active Labour Market Policies	€100m
Liquidity and Enterprise Investment Measures	€150m
Further Education and Higher Education	€100m
Accelerated Capital Works	€500m
Covid-19 Credit Guarantee Scheme	€2bn
Other Expenditure	€27m
Taxation Measures	€1bn
Summary Total	c. €7.4bn

Help businesses to retain existing jobs and create new ones

- A new Employment Wage Support Scheme will succeed the Temporary Wage Subsidy Scheme, and run until April 2021. Employers, whose turnover has fallen 30%, will receive a flat-203 per week per employee, including seasonal staff and new employees. New firms operating in impacted sectors will also be eligible. The Scheme is expected to support around 350,000 jobs into the beginning of 2021.
- The Restart Grant for Enterprises is being extended to a broader base of SMEs and expanded €300 million, bringing the total funding to €550 million. The payment level is being increased to €25,000. Further payments may be available to firms which have already received them. Some businesses, such as B&Bs, not previously included in the scheme, will now be eligible.
- With limited exceptions, all businesses will be granted a waiver of commercial rates for the six months to end-2020.
- The €2 billion -19 Credit Guarantee Scheme, will see Government provide an 80% guarantee for a wide range of credit products from €10,000 to 1 million up to a maximum term of 6 years.
- A package of liquidity and enterprise investment measures worth 55 million will be put in place to support small and micro companies through additional resources for MicroFinance Ireland and the Local Enterprise Offices. This will include measures to reduce interest rates on lending for micro and small businesses, including grants equivalent to 0% interest on the first year of SBCI and MFI loans.

The Future Growth Loan Scheme is being expanded from €200 million €500 million with the European Investment Bank Group, so businesses with up to 499 employees can invest for the longer-term at competitive rates.

Support people without jobs, especially young people

The Pandemic Unemployment Payment, due to end in August 2020, is being extended by 7 months until 1 April 2021, giving those on emergency income support greater security as the country recovers and job opportunities return. The Pandemic Unemployment Payment and Temporary Wage Subsidy Scheme have played a huge role in sustaining household incomes through the worst of the crisis.

Between now and April, there will be a gradual reduction in payment level, linked to previous incomes, bringing payments in line with existing social welfare levels over time. The scheme will close to new claimants from 17 September 2020.

A €200 million training and education, skills development, work placement schemes, recruitment subsidies, and job search and assistance measures, will help those who have lost their jobs find a new one, retrain, or develop new skills, in particular for emerging growth sectors.

Build confidence and solidarity in consumers and communities

- Stay and Spend Incentive. Any taxpayer spending €625, on accommodation, food and non-alcoholic drinks, between October 2020 and April 2021, are able to recoup €125 through a tax credit.
- A €10 million Restart Fund for the Tourism sector.
- Early carryback of trading losses will be allowed, leading to an immediate refund of some or all of corporation tax paid.
- income tax relief for self-employed individuals who were profitable in 2019 but, as a result of the Covid-19 pandemic, incur losses in 2020.
- A 6-month reduction in the standard rate of VAT from 23% to 21%, effective from September 2020.
- Enhanced levels of support will be made available under Help to Buy scheme until December 2020.
- Legislation to confirm the previously announced warehousing of tax liabilities. This will allow for businesses affected by Covid-19 to delay payment of their PAYE and VAT debts in part or in full for a set period with no interest or penalties.
- To provide support to taxpayers experiencing difficulty with tax liabilities, the interest rate applying to agreed repayments of all tax debt (where agreement has been reached prior to 30 September 2020) will be reduced to 3%.
- An increased allowable expenditure under the cycle to work scheme from €1,000 to €1,500 in respect of 'ebikes' and €1,250 in respect to other bicycles will be introduced.

Investment in Communities and Jobs

A further €500 million will be provided to accelerate capital works across a wide range of areas. This will generate jobs economic activity across all regions of the country. It includes:

- €75m for minor works for primary and secondary schools
- €113 million for active travel, public transport and renewal of transport infrastructure
- Over €40 million for investments in a range of heritage, arts, tourism and Gaeltacht related projects
- €20 million investment in courts, prisons and Garda projects and 10 million in fishery and on-farm renewable energy investments
- €15 million in peatlands rehabilitation
- €100 million investment in the Energy Efficiency National Retrofit Programme
- €60 million for returning vacant local authority housing to use and investment in water infrastructure
- €10 million for town and village renewal

In line with the Governments commitment in the New Decade New Approach agreement, support will be provided to progress work on the harbour at Clones on the Ulster Canal, and for planning of the Sligo-Enniskillen Greenway.

The Government is also committing to increasing capital expenditure in 2021 to €9.1 billion. This level of capital expenditure represents an increase of almost €1 billion or 12% on 2020 levels

Start preparing for a greener, more sustainable economy in the future

- A €25m investment in the Covid Life Sciences Products Scheme to aid the research, development and production of medicinal products in Ireland that are used in the fight against Covid -19.
- As part of the substantial investment in training and skills development, 19,000 places on the Government Skills to Compete programme will be provided which supports people develop skills and attain qualifications for emerging growth sectors and occupations.
- To help businesses adapt to the green economy, € 10million will be provided to support businesses engaging in green research, development and innovation, capital investment, and capacity building, through the first phase of a new Green Enterprise Fund.
- An increase of € 10 million in funding for the Seed and Venture Capital sector through Enterprise Ireland as a top-up to existing funds and leveraging a combined additional pool of € 55 million, as part of our commitment to innovation driven enterprises.
- € 10 million to support IDA promotional and marketing initiatives targeting job-rich FDI projects that will be an essential part of our economic recovery.
- Businesses will also be supported to develop their online presence through a further funding call of the Online Retail Scheme of € 5.5 million through Enterprise Ireland and an expansion of the Online Trading Voucher Scheme from the Local Enterprise Offices of € 20 million.
- A € 20 million Brexit fund to help SMEs involved in exporting and importing with the UK and further afield to put in place the staff, software and IT systems to be ready for new customs arrangements from 1 January 2021.
- The expansion of the Enterprise Ireland € 180 million Sustaining Enterprise Fund scheme to include direct grant support to viable businesses, in addition to equity and repayable advances.