

Richard Grogan of our firm mentioned in the Seanad Debates as “an eminent employment law specialist”

“Senator Michelle Mulherin: Will the Minister give some assurance with regard to the concerns about the operation of the wage subsidy scheme expressed by Ms Michele O'Boyle, president of the Law Society, on behalf of practising solicitors, by Richard Grogan, an eminent employment law specialist, and by insolvency lawyers? I apologise if he has already done so. I hope he will tell me if he has. These concerns centre on two simple points. Their concern is that a company would have to declare itself insolvent. This is an interpretation allowed or directed by the legislation. Another concern is that the definition of turnover is unworkable or unsatisfactory. Mr. Grogan also raised the point that the wage that might be paid by an employer as a top-up may not be deductible as an expense for the purposes of corporation tax returns in the same way as wages normally are.

I am sure the Minister is aware of the concerns that have been raised. Perhaps he would clarify it.

Minister Paschal Donohoe: I thank the Senators. I was not aware of the issue raised by Senators Gavan and Conway, but I will raise it with the Minister for Transport, Tourism and Sport. It is just one of the series of issues that are developing now as our economy responds to the public health emergency. The Minister for Foreign Affairs and Trade and the Minister for Transport, Tourism and Sport are making great efforts in other areas to deal with the concerns of travellers. I will ensure the matter raised by both Senators is raised with the Minister for Transport, Tourism and Sport and his Department. Regarding the issues raised by Senators Mulherin and Higgins, I will give a brief context for this section in the legislation. Some 11,000 companies have now enrolled in this programme. That shows the breadth of the challenge that is approaching. In other circumstances one could point to that type of enrolment and feel a degree of satisfaction for putting in place a scheme that can make that type of difference to companies, but it is an indication of the challenge that is approaching and the necessity for a programme such as this. The programme was conceived at great speed. I have no doubt there are issues we will have to address and that there will be anomalies and issues of detail that will require work.

I ask that companies bear with us as we work on this. If nothing else, the Revenue Commissioners will tonight become an institution of the State that pays people, which shows the kind and speed of change that is happening.

On some of the issues that Senator Mulherin referred to, my explicit message, as articulated by the Chairman of the Revenue Commissioners earlier, is to encourage companies to contact the Revenue Commissioners directly. At a time of great stress for companies, when there is much uncertainty, there is no need to add to that. They should directly contact the Revenue Commissioners and gain advice on how they can participate in such a programme. There are criteria. To companies that have concerns about whether they are in or out, I ask them not to approach Members of the Houses of the Oireachtas about that. The only people who will decide whether a company meets the criteria are the Revenue Commissioners. Companies should not divert their time by approaching a Deputy or Senator, nor place a Deputy or Senator in such a position. They need to engage directly with the Revenue Commissioners.

On the points raised by Senator Mulherin about turnover, the definition will vary as we engage with companies. The most likely way in which decline in turnover will be worked out will be to examine what the expected turnover would have been in quarter 2 and to compare that with an equivalent period, most likely quarter 2 a year ago. It is not unworkable. These are issues that companies and the Revenue Commissioners will be able to resolve very quickly between themselves.

As for declarations of insolvency, the very outcome we are trying to avoid is companies becoming insolvent. We are trying to ensure that if companies are in a position where they are in difficulty, they will be still in a position to retain a relationship with their employees and keep them involved. Participating in this programme is all about ensuring that companies are in a position whereby when our economic health recovers, they will be able to rebound, without having put their employees on the live register.

I am not in a position to answer the question about the deductibility of wages from corporation tax. Nevertheless, the detailed guidance from the Revenue Commissioners on how the scheme will work has been published and I hope the question will have been answered therein for those who have raised it.”