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chartered professional accountants

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## **COVID-19**

### Impact on Businesses

The [PDF COVID-19 Wage Subsidies – Are you Eligible?](#) (also available on our website [Info Centre](#)) is a summary intended to help simplify the information regarding the two separate wage subsidy programs that the Federal government has announced. These subsidies are:

1. The 10% Temporary Wage Subsidy; and
2. The 75% Canadian Emergency Wage Subsidy (CEWS).

The 10% Temporary Wage Subsidy applies to remuneration paid between March 18 and June 19, 2020 and, as outlined in the attached, eligibility is not subject to a reduction in revenue.

The determination of eligibility for the CEWS requires a comparison of revenue for each of the months of March, April and May 2020 to each of the same months in 2019. Note that the eligibility is on a single month to single month basis, that is, you do not combine two or more months in determining eligibility. An employer may be eligible for either zero, one, two or three months.





The table below outlines each claiming period, that is the period in which the remuneration is paid, and the associated period in which the employer has a decline in revenue of 30% or more in order to be eligible for the subsidy for the claiming period:

<b>Eligible Periods</b>	<b>Claiming period</b>	<b>Reference period for eligibility</b>
Period 1	March 15- April 11	March 2020 over March 2019
Period 2	April 12- May 9	April 2020 over April 2019
Period 3	May 10 – June 6	May 2020 over May 201

For example, if the employer's revenue for April 2020 is 30% less than revenue for April 2019, the employer is eligible for a subsidy equal to 75% of remuneration paid from April 12 to May 9, 2020 inclusive. Remuneration paid means the date on which the remuneration is actually paid, not when it is earned.

The government has said that revenue will not include extraordinary gains.

You can claim one or the other subsidy, but not both for the same remuneration, depending on which, if any, eligibility criteria are met. For example, if an employer did not have a 30% or greater reduction in revenue for March 2020 as compared to March 2019, and is therefore not eligible for the 75% CEWS, they would consider their eligibility for the 10% Temporary Wage Subsidy for that period. If they experienced a 30% or greater reduction in revenue in April 2020 as compared to April 2019, they would reconsider their eligibility for the 75% CEWS for the April 12 to May 9 claiming period.

If you have any questions regarding the wage subsidy programs, please contact one of our client service team members.

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