



**NOSEWORTHY  
CHAPMAN**

chartered professional accountants

## COVID-19

### Impact on Businesses

#### Temporary Wage Subsidy

Clarification has been received on the Temporary Wage Subsidy for Employers announced last week. The government has released a Frequently Asked Questions (FAQ) document to assist employers with calculating and deducting the subsidy from upcoming employer remittances to CRA. The related link to the FAQ is as follows:



<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html#h2>

Employers that choose not to reduce payroll remittance during the year will have the ability to request payment of the subsidy at the end of the year or transfer to next year's remittances.

To assist with the calculation of the subsidy, the following link to Tax Templates Inc. free excel worksheet may prove useful to assist you with calculating your eligible deduction:



<http://sendy.taxtemplates.ca/w/CXtEVS8I892dsSV3r763FYzszw/eIMMMbX67NgxyieztPHzEw/7LGnPm-kuhjBB6tTTVKVc763g>





## Work-Sharing Program

The government announced temporary special measures to the Work-Sharing EI program (WS) to assist businesses effective by COVID-19. These measures include:

- extending the maximum duration of WS agreements from the current 38 weeks to 76 weeks
- waiving the mandatory waiting period between agreements, and
- an easing of the recovery plan requirements for the duration of the WS agreement

Employers who are considering availing of the WS program should consult their legal counsel to determine the impact of adopting these measures with respect to employment arrangements.

Further information on the program is located at the following link



<https://www.canada.ca/en/employment-social-development/services/work-sharing/guide-applicant.html#hc1>

## Supplementary Unemployment Benefit Plan (SUBP)

The government also has available to employers a supplementary unemployment benefit plan (SUBP). SUBP is a plan established by an employer to top up employees' employment insurance benefits during a period of unemployment due to 1 temporary or indefinite layoff. This program may allow employers to assist their employees during this period of uncertainty.

Details on this government program is located at the following link:



<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/payroll-deductions-contributions/special-payments/supplementary-unemployment-benefit-plan-subp.html>

As with all matters relating to your employment arrangements with employees, legal counsel should be consulted to determine any unintended impact on adopting these measures.





## Cashflow tools

During this uncertain time budgeting and cashflow practices become increasingly important. Businesses will need to carefully assess expenditures in the coming months and requirements to make payments to successfully weather the COVID-19 business disruption. The age old saying that “cash is king” will become even more apparent as things change daily. If you do not currently prepare a budget or cashflow, the attached link provides a relatively simple format to use to get you started. This template helps highlight items to consider in your budgeting and cashflow analysis as you assess outgoing cash commitments and anticipated collections over the next few months.

Link to cashflow template:



<https://templates.office.com/en-us/small-business-cash-flow-projection-tm16410107>

## Service to our clients

We are monitoring the progress of COVID-19 in our province and adhering to the direction from officials to help stop the spread of this virus. Our offices are currently closed to public access, however, we have established a drop off and receiving area on the main floor of our building for those clients unable to utilize pdf technology to provide your documents to us in electronic format via our secure portal or via email.

Signage is provided at our main entrance to direct you to the drop off location which shall be open from 8:30 to 5:00 Monday to Friday

We continue to provide services to our clients utilizing our secure remote access. We are committed, as always, to fully serving your needs and to meet existing deadlines and delivering prompt responses to questions and concerns.

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