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## COVID-19

### Impact on Businesses

#### Canadian Emergency Wage Subsidy (CEWS)

Today, the Federal government announced additional details on measures enacted to support small and large businesses. Specifically, there has been additional details provided with respect to the 75% Canadian Emergency Wage Subsidy (CEWS) previously announced for qualifying businesses for up to 3 months, retroactive to March 15, 2020. The intent of this subsidy is to assist businesses in keeping or returning workers to the payroll.

Details shared in today's announcement indicate the following:

- The benefit will be available to qualifying businesses, not-for profit organizations and charities.
- Businesses, whether or not they have been closed, are eligible if business revenues have decreased by 30% or more due to the pandemic.
- The benefit will be capped at 75% of annual gross wages of \$58,700 per employee. This equates to a weekly maximum of \$847.
- There is no cap on the number of employees per employer.
- The criteria that will determine payment to employers will be announced shortly, as the CRA is finalizing the detail of the technical documents.





- Employers are cautioned that there will be serious consequences to misuse of the relief including repayment of the subsidy. The government has indicated that there will be a verification program put in place.
- Employers are encouraged to pay the remaining 25% of wages to staff as a top-up, however this is not required to receive the subsidy.

As businesses await specific details, including the method and timing of the CEWS subsidy payments, the previously announced Canadian Emergency Business Account and Small and Medium-sized Enterprise Loan Guarantee Programs, which are intended to provide cashflow access to businesses, may assist with bridging cashflow issues.

Information on these programs can be found at:



[https://www.canada.ca/en/department-finance/news/2020/03/additional-support-for-canadian-businesses-from-the-economic-impact-of-covid-19.html#\\_New\\_Loan\\_Programs](https://www.canada.ca/en/department-finance/news/2020/03/additional-support-for-canadian-businesses-from-the-economic-impact-of-covid-19.html#_New_Loan_Programs)

There are still several questions that remain with respect to the CEWS. Today's announcement indicated that Finance Minister, Bill Morneau, will provide a more detailed update of the specifics of the subsidy tomorrow, March 31<sup>st</sup>. We expect his update will provide additional details that will specifically address how this subsidy will be calculated, implemented and delivered to businesses.

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