



**NOSEWORTHY
CHAPMAN**

chartered professional accountants

COVID-19

Impact on Businesses in Newfoundland and Labrador

Update on the 10% wage subsidy, maximum \$25,000 benefit

To support businesses that are facing revenue losses and to help prevent layoffs, the government introduced a temporary wage subsidy for eligible employers. These qualifying employers include not-for-profit organizations, charities, and Canadian-controlled private corporations eligible for the small business deduction.

The wage subsidy is available with respect to remuneration paid on or after March 18th up to and before June 20th. The subsidy is

equal to 10% of remuneration including salary, wages, or taxable benefits and is capped at a maximum of \$1,375 per employee and \$25,000 per qualifying employer.

Businesses can immediately reduce their remittances of income tax withheld on their next employee remuneration paid to CRA.

We are recommending employers keep a detailed record of the deduction taken on each remittance to ensure the maximum per employee of \$1,375 and limit of \$25,000 is not exceeded.

If you are unsure how to proceed, please contact us. We are here to help.

