



**NOSEWORTHY
CHAPMAN**

chartered professional accountants

March 19, 2021

COVID-19

FINANCIAL IMPACT REPORT

CANADA EMERGENCY WAGE SUBSIDY (CEWS) AND CANADA EMERGENCY RENT SUBSIDY (CERS) UPDATE

On March 3rd, the Federal Government announced that the current rate structures for active employees, rent subsidy and lockdown support will remain in place through periods 14 to 16 (March 14 to June 5).

The announced details of the subsidies include:

- The maximum base wage subsidy rate for active employees would remain at 40%, and the maximum top-up wage subsidy rate for employers most adversely impacted by the pandemic would remain at 35%. As such, the maximum combined wage subsidy rate would remain at 75%.
- The maximum rent subsidy rate would remain at 65%.
- Lockdown Support would remain at 25% and continue to be provided in addition to the rent subsidy, providing eligible hard-hit businesses with rent support of up to 90%.

The reference periods in respect to the general method used to determine an employer's revenue drop for period 14 to 16 (March - May) revert to 2019 comparisons as follows: (see next page)



Period	General Method	Alternative Method
Period 14	March 2021 over March 2019 Or February 2021 over February 2020	March 2021 over average of January and February 2020 Or February 2021 over average of January and February 2020
Period 15	April 2021 over April 2019 Or March 2021 over March 2019	April 2021 over average of January and February 2020 Or March 2021 over average of January and February 2020
Period 16	May 2021 over May 2019 Or April 2021 over April 2019	May 2021 over average of January and February 2020 Or April 2021 over average of January and February 2020

In addition, there is an additional elective alternative baseline computation for March 14 to June 5, 2021 (qualifying periods 14 to 16). An eligible employer is permitted to elect, for qualifying periods 14 to 16, to use the period of March 1, 2019 to June 30, 2019 or July 1, 2019 to December 31, 2019 to calculate baseline remuneration.

Clients are also reminded that the deadline for application for CEWS Period 7 (August 30 to September 26) is March 25, 2021.

More information on the announcement can be found at:

<https://www.canada.ca/en/department-finance/news/2021/03/government-announces-wage-and-rent-subsidy-amounts-to-remain-unchanged-through-to-june0.html>



Canada Emergency Business Account (CEBA) Deadline Approaching

Clients are reminded that the deadline for applications for the CEBA must be filed by March 31, 2021. Applications are made through the business' financial institution. The last date to withdraw or transfer funds from a CEBA loan is June 30, 2021.

Information on the CEBA program including eligibility can be found on the website:

<https://ceba-cuec.ca/>

Please note that due to the rate at which the current COVID-19 situation is changing, and the response by government to feedback on its initiatives, the information contained in this update is accurate as of the release date indicated above.

