



# COVID-19 Wage Subsidies Are you eligible?

EMPLOYERS MAY BE ELIGIBLE FOR **ONE OR BOTH** SUBSIDIES

## ELIGIBLE EMPLOYERS

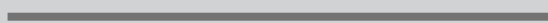
### 10% TEMPORARY WAGE SUBSIDY

- Eligible employer if a(n):
- Individual
  - Canadian controlled private corporation (CCPC) eligible for the small business deduction (SBD)
  - Partnerships whose members are solely individuals (excluding trusts), registered charities or CCPCs eligible for the SBD
  - Have an existing payroll account with CRA on March 18, 2020
  - Pay salary, wages, bonuses or other remuneration to an eligible employee (individual employed in Canada)

### 75% CANADA EMERGENCY WAGE SUBSIDY (CEWS)

- Non-publicly funded businesses including:
- Individuals
  - Taxable corporations
  - Partnerships consisting of eligible employers
  - Non-profit organizations (NPO)
  - Registered charities

## OTHER REQUIREMENTS



- 15% decline in Canadian Source Revenue in the month of March 2020 and 30% decline for the months of April and May 2020
- Decline in revenue test can be met by comparing revenue to the same month in 2019 or the average of January and February 2020
- Employee cannot be eligible for CERB within 4 week period
- Employer makes "best effort" to top-up employee's salaries to pre-crisis levels
- NPO's and registered charities will have the choice to include or exclude government funding in determining decrease in revenue

## AMOUNT OF SUBSIDY

- 10% of remuneration paid
- Maximum of \$1,375 for each eligible employee and total of \$25,000 per employer (associated CCPCs not required to share the maximum subsidy of \$25,000 per employer)

- Greater of:
- 75% of remuneration paid to employee (maximum of \$847 per week), and
- Lesser of:
- The amount of remuneration paid to employee (maximum of \$847 per week), and
  - 75% of employee's pre-crisis weekly remuneration
- Subsidy amount reduced by benefits received under the 10% wage subsidy
  - No overall limit per employer

## DURATION

- March 18, 2020 to June 19, 2020

- March 15, 2020 to June 6, 2020

## APPLICATION PROCESS

- You do not need to apply for the subsidy
- Subsidy is calculated when you remit payroll source deductions to CRA. The income tax source deduction remittance is reduced by the amount of the calculated subsidy

- Through CRA's My Business Account portal or web based application to be developed
- Employers must reapply for each claim period

Note: Remittances of CPP and EI premiums cannot be reduced by the subsidy – only income tax remittances.

## WHEN CAN SUBSIDY BE RECEIVED

- Applicable payroll remittance date for remuneration paid from March 18 to June 19, 2020. For example, regular payroll remittance would be due April 15, 2020 (for March 2020 payroll)

- Approximately 6 weeks after application

## TAXABILITY OF THE SUBSIDY

- Taxable income in the year the subsidy is received

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**FURTHER INFORMATION (CLICK HERE)**

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\* CEWS – as of April 8<sup>th</sup>, 2020 legislation is pending.