**On April 1, the Government of Canada announced details of two key components of the financial relief that it is offering individuals and businesses to stem the impacts of COVID-19.**

**This program is designed to help employers keep staff on their payroll.**

**THE BASICS:**

CEWS is a fund dedicated to helping employers keep their staff employed through with up to 75% of pre-crisis wage subsidy up to a weekly max of $847 per person. The funding is in place with the goal of helping businesses restart faster after the crisis period is over.

* **PLUSES:**Any company with a year over year loss of at least 30% as a result of the financial impact of COVID-19 can apply.   
  There are no limits on the number of employees within a company that can be eligible.Applications can be back-dated to March 15, 2020.  
  The subsidy can be applied for from March 15 to June 6 with a renewal monthly.

Part-time and full-time employees are eligible.

* **MINUSES:**   
  The time to receive funds is estimated at 6 weeks given the scope of the funds needed and the anticipated number of companies that will be applying.

**GOVERNMENT OF CANADA DETAILS:**www.canada.ca/en/department-finance/economic-response-plan/wage-subsidy.html

**THE DETAILS:**

**Who can apply?**

* Any Canadian-controlled private corporations, non-profit organization, registered charity with an existing business number and payroll program account with the CRA on March 18, 2020 and pay salary, wages, bonuses, or other remuneration to employees.
* Companies must have had a drop of 30% or more decline of gross revenue as a result of COVID-19.
* Companies will be required to show year over year comparison with some exceptions for prior month.

**What time period is covered?** Backdated to March 15, 2020. Ending June 6, 2020.

**How much are the payments?** 75% of an employee’s pre-crisis weekly remuneration, up to a maximum of $847 week. The amount paid will not exceed $847 per week for any individual.

**How do you apply?** On the CRA “My Business Account”. Companies that are signed up for CRA direct deposit will receive funds quicker.

**When will funds be available?**

Funds will be available in approximately 6 weeks.

**Employers must commit to:**

* Doing their best to pay the remaining 25%.
* Show what the pre-crisis income was of an employee.
* reapply every month.

**What are the tax implications?**

The wage subsidy received by an employer will be considered government assistance and be included in the employer’s taxable income.

**Note:** There will be steep consequences for any company that takes advantage of the program without need.

**CANADA EMERGENCY WAGE SUBSIDY: Sample Case Study**

**Business 1:** 4 FT, each earning $800 per week

3 PT, each earning $400 per week

**Total weekly payroll:** $5,600.

**Current Business Status:**

Shop is closed and only operating online.

They are keeping all of their employees on the payroll, paying them their full regular   
 wages, despite their revenues being down by at least 30 per cent.

**Business is eligible for a weekly wage subsidy of $4,200.**

$600 for each of their FT and $300 for each of their PT employees.