

COVID-19 HELP FOR SMALL BUSINESS

Canada Emergency Wage Subsidy

This afternoon the Government announced more details pertaining to the 75% wage subsidy. We will try to summarize this subsidy for you.

Eligibility:

- All private businesses, non-profits, and registered charities that have seen gross revenues decline by at least 30% compared to the same month in 2019;
- Must have an existing business number and payroll program account with the CRA
- Must pay salary, wages, bonuses, or other remuneration to an employee
- There is no cap on the number of employees or size of payroll

Subsidy Amount:

- The subsidy will cover up to 75% of wages paid each month, and for March will cover wages from March 15 onward
- The subsidy will cover the first \$58,700 in salary, providing up to \$847 per week per employee in subsidy
- A per-employer cap has not been announced, and one is not expected given the unlimited payroll size eligibility

How to Apply and Get the Subsidy:

- Organizations will need to apply directly each month to get the subsidy through a soon-to-be-opened online portal from the Canada Revenue Agency.
- The online portal is expected to be active in 3-6 weeks, but subsidies will be backdated to wages paid from March 15.
- The subsidy will work like a rebate, with each application covering the wages paid in the previous month and eligibility based on the gross revenues of the previous month.
- Once applications are submitted and approved, the government estimates direct payments to applicant organizations will be made within 6 weeks.
- Applicants will need to make a legal attestation on the application that they are "doing everything they can" to top up the remaining 25% of salaries. However, this will not be possible for all employers, and it is unclear how or if the government will monitor this.

Companies that do not qualify for the new 75% wage subsidy **continue** to be eligible for the existing 10% wage subsidy on remuneration paid from March 18 to June 19, up to a maximum of \$1,375 per employee and \$25,000 per employer. You may not be down 30% in sales in March 2020 (compared to March 2019) so take advantage of this 10% subsidy in March and apply for the 75% subsidy in April and May.