

Dear Business Clients

I have done my best to collect the information regarding various subsidies available to employers and their employees. Please note that these programs have been initiated with some details to be refined at a later date. I will provide further information as it becomes available to me. These programs will be available through CRA and employers are encouraged to sign up for direct deposit. These programs may be extended past June depending on the circumstances.

There are 3 subsidies currently available:

- 1) The Temporary Wage Subsidy
- 2) The Canada Emergency Wage Subsidy
- 3) The Canada Emergency Response Benefit

The Temporary Wage Subsidy

- Ø A 3 month subsidy for the period March 18/20 to June 19/20
- Ø 10% of the wages you pay during this period up to \$1,375 per employee up to \$25,000 per employer, up to 18 employees
- Ø Related corporations are each eligible for the deduction and do not have to share the subsidy
- Ø Wages, Salaries, **and Bonuses** (for corporate year ends beginning Oct 31/19) are eligible for this subsidy
- Ø You receive the subsidy by reducing your Source Deductions remittance by the income tax amount
- Ø Paycheques for the employees are still calculated the same as before
- Ø You must continue to remit the correct amount of CPP and EI as before
- Ø If the number of employees increases or decreases during the period, the subsidy calculation changes accordingly
- Ø If your payroll period overlaps the subsidy period, you need to revise your payroll calculations to include only the subsidy period
- Ø If income taxes withheld is less than the subsidy amount, you can reduce further Source Deductions (past June 19/20)
- Ø If you do not reduce your remittances during this period, at the end of the year CRA will pay the amount to you or transfer it to your next year's remittance
- Ø This subsidy is **taxable income** and must be reported as income in the year the subsidy is received
- Ø If you did not pay employees during this period, you cannot receive the subsidy

The Canada Emergency Wage Subsidy

- Ø A subsidy designed for business with a 30% or more decline in revenue over the same period in the previous year's month for March, April, and June and is retroactive to March 15/20
- Ø The government will provide the employer with a cheque for an amount equal to 75% of the wages up to \$58,700 or \$847 per week per employee
- Ø You must re-apply each month during the 3 month period
- Ø Employers must pay, to the best of their ability, the remaining 25% (might be more subsidy available based on need)
- Ø Employers can apply through a CRA portal that will become available in 3 to 6 weeks
- Ø Businesses will be required to show comparative financial statements
- Ø This is a "High Trust" system and there will be penalties for any fraudulent claims
- Ø There will be further details for startups or those companies that do not have financial statements for March to June 2019

The Canada Emergency Response Benefit (CERB)

- Ø A temporary income support program starting April 6/20 for employees or self-employed individuals who don't qualify for EI
- Ø Up to \$500 per week for individuals 15 years old and older who have stopped working because of COVID-19 and have not voluntarily quit their job
- Ø You must be residing in Canada and have a valid SIN
- Ø You had income of at least \$5,000 in 2019 or in the 12 month period prior to the date of their application, and expect to be without income for at least 14 consecutive days in the initial 4 week period
- Ø Apply to CRA either online or by phone, staggered by your month of birth:

January, February, March	Apply on Mondays starting April 6/20
April, May, June	Apply on Tuesdays starting April 7/20
July, August, September	Apply on Wednesdays starting April 8/20
October, November, December	Apply on Thursdays starting April 9/20
Any month	Apply on Fridays, Saturdays, and Sundays
- Ø If you would be entitled to more than \$500/wk under regular EI, you should continue to access that program
- Ø If you would receive less than \$500/wk under regular EI, you will receive \$500 through CERB
- Ø If work is not available as a result of reasons related to COVID-19 upon conclusion of your maternity/parental leave, you may be eligible to apply for the Canada Emergency Response Benefit
- Ø You cannot receive both EI and CERB at the same time

Stay safe, and stay strong. We will get through this together.

Jo-Ann Bakker