

Canada Emergency Wage Subsidy (CEWS)

Overview

Canada Emergency wage subsidy was introduced to help businesses keep and return employees back to work. This subsidy would provide a 75 per cent wage subsidy to eligible employers for up to 12 weeks, retroactive to March 15, 2020. This program is estimated to cost \$71 billion. The 75% subsidy is capped and will be available on the first \$58,700 of an employee's salary, which would equal to a maximum of \$874 per week for individuals. This program will be implemented retroactively and run from March 15 – June 6, 2020.

Please note, the new 75% wage subsidy program does not replace 10% wage subsidy. If you are an employer that is not eligible to apply to this subsidy, you are still able to apply for the 10% wage subsidy. Please see link below for information on the 10% wage subsidy:

<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>

If you have already applied to the 10% wage subsidy and are eligible to apply to the 75% wage subsidy, you will be able to utilize both subsidies at the same time. However, if you collect on the 10%, this will affect how much you are eligible to receive through the 75% subsidy program

Eligibility

Employers are eligible to apply for CEWS if they:

- are individuals, taxable corporations, partnerships consisting of eligible employers, SRED companies, non-profit organizations and registered charities
- saw a drop of at least 30 per cent of their revenue, assessed based on gross revenue, in the eligible periods:
 - determined by the change in an eligible employer's monthly revenues, year-over-year, for the calendar month in which the period began

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Eligible Period

	Claiming period	Reference period for eligibility
Period 1	March 15 – April 11	March 2020 over March 2019
Period 2	April 12 – May 9	April 2020 over April 2019
Period 3	May 10 – June 6	May 2020 over May 2019

Process

Employers would be able to apply through the Canada Revenue Agency’s My Business Account portal as well as a web-based application and funds to be available in 6 weeks. *More details about the application process will be made available shortly.*

To date, the government has provided the following information on the process:

- Companies need to re-apply each month
- Employers will be required to attest that they are doing “*everything they can*” to pay the remaining 25% of employee wages
- Employers should set up a direct deposit to receive funds more quickly
- Applies to all employees, even those on Maternity Leave

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