

Canada Emergency Wage Subsidy

Details related to the Canada Emergency Wage Subsidy (CEWS) have now been made available. The CEWS provides a 75% wage subsidy to eligible employers for up to 12 weeks, retroactive to March 15, 2020. The CEWS aims to prevent further job losses, encourage employers to re-hire workers previously laid off as a result of COVID-19, and help better position employers to more easily resume normal operations following the crisis.

The CEWS amount for a given employee on eligible remuneration paid for the period between March 15 and June 6, 2020, is the greater of:

- 75% of the amount of remuneration paid, up to a maximum benefit of \$847 per week; and
- the amount of remuneration paid, up to a maximum benefit of \$847 per week or 75% of the employee's pre-crisis weekly remuneration, whichever is less.

In effect, employers may be eligible for a subsidy of up to 100% of the first 75% of pre-crisis wages or salaries of existing employees up to a maximum of \$847.

In order to be eligible for the CEWS, all taxable corporations (other than public institutions such as Crown corporations, universities and hospitals) including public corporations and Canadian corporations controlled by one or more non-resident persons must have experienced a revenue reduction based on 2 options:

1. Employer must have experienced a 15% reduction in qualifying revenue for March 2020 compared to March 2019 and a 30% reduction in qualifying revenue in April and May 2020 compared to April and May 2019 respectively
2. Employer can rely on average revenues earned in January and February 2020 as the baseline used instead of March, April, May 2019

Employers participating in artificial transactions to reduce revenues will be subject to a penalty of 25% of the value of the CEWS amount claimed, in addition to the requirement to repay in full the CEWS amount.

The CEWS application process is currently in development and can be accessed via the [CRA My Business Account](#) or a web application when it is available. Applications must be submitted before October 2020.

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