

### Canadian Emergency Wage Subsidy Update

Parliament was briefly recalled this past Saturday to pass legislation creating the “Canadian Emergency Wage Subsidy” (CEWS). The bill was passed unanimously in the House of Commons, the Senate, and has received Royal Assent by the Governor General of Canada.

#### **Here is what the Canadian Emergency Wage Subsidy (CEWS) does:**

- Creates a 75% wage subsidy on the first \$58,700 of earnings by employees, creating a realized benefit of up to \$847 per week, per employee (or 75 per cent of the employee’s pre-crisis weekly remuneration, whichever is less).
- Provide funding for up to 12 weeks, retroactively covering the period of March 15 to June 6, 2020.
- Provides a 100% refund for employer-paid contributions to EI, CPP, the Quebec Pension Plan, and the Quebec Parental Insurance Plan.
  - This refund would apply to the entire amount of employer-paid contributions paid to furloughed employees in a period where the employer is eligible for the CEWS.

#### **Eligibility Requirements**

The CEWS will apply to employers of all sizes and across all private sector businesses that meet the following eligibility requirements.

Despite earlier reports of more restrictive requirements, and following consultations between government and stakeholders, the eligibility requirements passed in the legislation were changed to the following:

- To qualify for the 1<sup>st</sup> period, covering March 15<sup>th</sup> to April 11<sup>th</sup>, employers will have to show a 15% decline in revenues over March 2019.
- To qualify for the 2<sup>nd</sup> period, covering April 12<sup>th</sup> to May 9<sup>th</sup>, employers will have to show a 30% decline in revenues over April 2019.
- To qualify for the 3<sup>rd</sup> period, covering May 10<sup>th</sup> to June 6<sup>th</sup>, employers will have to show a 30% decline in revenues over May 2019.

#### **How to Apply**

Eligible employers will apply for the CEWS through the Canada Revenue Agency’s *My Business Account* portal, as well as additional web-based applications currently being developed.

While the legislation has passed and is now law, the implementation details are still being finalized. It was reported earlier this week that the rollout timeline could take between 2 and 4 weeks. Over the coming days, more details about the application process and timelines will be made available and we will provide updates as more information becomes available.