

HAMILTON ROSENTHAL

CHARTERED PROFESSIONAL ACCOUNTANTS LLP



Temporary Wage Subsidy Program

On March 30th, 2020, the government announced changes to the wage subsidy program. This announcement was very general in nature but today, the Minister of Finance provided further details.

Here is what we know:

- The program will subsidize up to 75% of employee wages, backdated to March 15th, 2020 and continuing through a period of 14 weeks.
- The 75% subsidy will cover annual earnings up to \$58,700 per employee with a maximum subsidy of \$847 per week per employee.
- The applicants must have suffered at least a 30% decline in revenue due to Covid-19. To qualify, businesses must show that their revenue in March of 2020 was at least 30% less than it was in March of 2019 (there may be exceptions for start-ups and new companies).
- Businesses will have to reapply each month showing that their revenues in April and May show at least a 30% decline compared to the same months in 2019.
- Applicants now include all businesses including charities, not-for profit organizations, sole proprietorships and partnerships. Exceptions include non-taxable corporations and public sector entities such as municipalities, public schools and hospitals.

The 10% wage subsidy program previously announced March 18th, 2020, is still in effect for businesses that do not qualify for the 75% program by virtue of the 30% revenue decline condition. Under this program, the maximum subsidy is \$1,375 per employee and \$25,000 per employer.

The Minister of Finance expects the money to start flowing within the next 3 to 6 weeks.

We encourage BUSINESSES to register with CRA My Account. You will then have access to your account and should sign up for direct deposit to expedite the receipt of these funds.

<https://www.canada.ca/en/revenue-agency/services/e-services/e-services-businesses/business-account.html>

The Canada Emergency Business Account

The new Canada Emergency Business Account program guarantees interest free loans of up to \$40,000 to small businesses and not-for-profits to help cover operating costs during a period where revenues have been temporarily reduced. To be eligible for this program, businesses will need to show that they paid between \$50,000 to \$1,000,000 in total payroll in 2019. Under certain conditions, up to \$10,000 of this loan may be forgiven. Businesses should contact their financial institution to apply.

This program will roll out in the three weeks after March 27th, 2020 and interested businesses should work with their current financial institutions.

The Canada Emergency Response Benefit (CERB)

Today, the Minister of Finance announced further details on the CERB. The program will provide individuals with \$500 per week for up to 16 weeks with applications commencing on April 6th, 2020. In an effort to manage the applications, they have outlined the following timeline:

MONTH YOU WERE BORN	APPLY ON	FIRST DAY TO APPLY
January, February, March	Mondays	April 6
April, May, June	Tuesdays	April 7
July, August, September	Wednesdays	April 8
October, November, December	Thursdays	April 9
Any Month	Fridays, Saturdays, Sundays	

The benefit will be available to workers who meet all of the following criteria:

- Have stopped working due to COVID-19;
- Reside in Canada;
- Are at least 15 years old;
- Had employment, self-employment or EI income of at least \$5,000 in 2019 or in the 12 months prior to the date of application; and,
- Are or expect to be without employment or self-employment income for at least 14 consecutive days in the initial 4-week period of the program. For subsequent benefit periods, they expect to have no income.

If individuals are already receiving EI, then they will continue to receive EI benefits until the end of the benefit period and should not apply for CERB. For individuals who have applied for EI prior to March 15th, the claim will be processed under the pre-existing EI rules. If the claim was made on March 15th onward, the claim will be automatically processed through the CERB.

We encourage INDIVIDUALS to register with CRA My Account. You will then have access to your account and should sign up for direct deposit to expedite the receipt of these funds.

<https://www.canada.ca/en/revenue-agency/services/e-services/e-services-individuals/account-individuals.html>