



## RECENT COVID SUPPORT UPDATES

### Canada Emergency Rent Subsidy (CERS)

On October 9, 2020, the federal government announced the new CERS program retroactive to September 27, 2020 and extended to June, 2021.

Details for the first 3 qualifying periods (periods 8, 9 and 10) of the new program have been announced. The revenue decline is calculated in the same manner as the Canada Emergency Wage Subsidy program.

The base subsidy rate is calculated as a percentage of eligible expenses as follows:

- For a revenue decline of 70% and over: Subsidy is 65% of eligible expenses
- For a revenue decline of 50% to 69%: Subsidy is 40% +( revenue drop less 50% x 1.25) of eligible expenses (eg. for a 60% revenue drop the subsidy would be 40% + (60% less 50% x 1.25) = 52.50%
- For a revenue decline of 1% to 49%: Subsidy is the revenue drop x 0.8 of eligible expenses (eg. for a 25% revenue drop the subsidy would be 25% x 0.8 = 20.00%

Eligible expenses would include commercial rent, property taxes, property insurance and interest on commercial mortgages.

Unlike the original subsidy program, the new program will provide benefits directly to qualifying renters and property owners, *without requiring the participation of the landlords.*

The following chart details the revenue reference for periods 8 to 10. Once chosen, the same approach must be applied throughout the program.

	<b>Revenue comparison test – general approach</b>	<b>Revenue comparison test – alternative approach</b>
<b>Period 8</b> <i>September 27 – October 24</i>	<i>October 2020 compared to October, 2019</i> <b>or</b> <i>September, 2020 compared to September, 2019</i>	<i>October 2020 or September 2020 compared to the average of January and February, 2020</i>

<b>Period 9</b> October 25 – November 21	<i>November 2020 compared to November, 2019</i> <b>or</b> <i>October, 2020 compared to  October, 2019</i>	<i>November 2020 <b>or</b> October 2020  compared to the average of  January and February,  2020</i>
<b>Period 10</b> November 22 – December 19	<i>December 2020 compared to December, 2019</i> <b>or</b> <i>November, 2020 compared to  November, 2019</i>	<i>December 2020 <b>or</b> November 2020  compared to the average of  January and February,  2020</i>

## Canada Emergency Wage Subsidy (CEWS)

The government is proposing to further extend the CEWS until June, 2021. They have provided details of the program until December 19, 2020 which allows for a weekly maximum base subsidy benefit of \$452 per employee.

In addition to this base subsidy, there is a top-up subsidy of up to 25% for those employers most adversely impacted by the pandemic.

For details on how to calculate the CEWS subsidy, right click on the following link and go to “Open Hyperlink”: [Canada Emergency Wage Subsidy \(CEWS\) - Canada.ca](https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/pd27/pd27-20e.pdf)

## 10% Temporary Wage Subsidy (TWS)

If your company previously claimed the TWS, we remind you to file the self-identification **form PD27** before the filing deadline of 2020 T-4’s and T-4 Summary. This form must be filed so that CRA can reconcile the payroll remittances to the T-4 Summary.

This form can be downloaded from CRA’s website at <https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/pd27/pd27-20e.pdf>. Alternatively, you can file this form online through My Business Account.

## Canada Emergency Business Account (CEBA)

The Canada Emergency Business Account (CEBA) provides interest-free loans up to \$40,000, \$10,000 forgivable conditional on repayment of \$30,000 on or before December 31, 2022.

The government has recently announced its intention to expand the CEBA to provide an additional \$20,000, \$10,000 of which is forgivable if the loan is repaid by December 31, 2022. Details of this expansion have yet to be released.