



COVID-19 GOVERNMENT SUPPORT SUMMARY



**CANADIAN RECREATIONAL
VEHICLE ASSOCIATION**



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**SUPPORT FOR
BUSINESSES**

THE FEDERAL WAGE SUBSIDY PROGRAM – 75% CEWS

- 75% wage subsidy for businesses of any size, regardless of the number of employees
- Businesses must show a decline of at least 30% of revenue for April and May, and 15% for March, year over year
- The program is retroactive to March 15 and funding is available until June 6, 2020
- Amount of Subsidy
 - 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.**
- A [calculator](#) is being launched on the CRA website to allow businesses to see how much will get covered
- Employers to do their best effort to pay the remaining 25 percent, whenever possible
- Funds available start May 4 via direct deposit



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A photograph of a two-lane road stretching into the distance under a cloudy sky. Two RVs are visible on the road, one in the distance and one closer to the camera on the right side. The road is flanked by green fields.

**HOW DO I
APPLY FOR THE
SUBSIDIES?**


Application will be done online through a CRA portal. Register a business account with the CRA and sign up for direct deposit.

[Click here.](#)

A white truck is driving on a paved road that curves to the right. The road has a double yellow line on the left side and a white line on the right. The background is filled with lush green trees under a clear blue sky. A white rectangular box is overlaid on the image, containing the text.


**WHAT IF I HAD
LAID OFF
EMPLOYEES?**

You can still claim the subsidy for remunerations paid after March 15. The government also recommends re-hiring employees.

A white delivery truck is driving on a paved road that curves to the right. The road has a double yellow line in the center and a white line on the right edge. The background is filled with lush green trees under a clear blue sky. A white rectangular box is overlaid on the image, containing text.


**Do I need to
rehire all
employees to be
eligible for
CEWS?**

No, businesses do not have to rehire all employees to qualify for the wage subsidy. Businesses can claim the subsidy only for employees that have been remunerated during the eligibility period.

A person with dark hair, wearing a red and black plaid shirt and a tan backpack, is walking through a dense forest. The person is seen from the side, looking towards the right. The forest is filled with tall, thin trees and lush green ferns. The lighting is soft and natural, suggesting a daytime setting.

**DO I HAVE TO
PAY THE
REMAINING
25%?**


As it stands, it is not a requirement to access the program. That said, businesses are expected to make the best effort to top up salaries to 100% and may need to attest they have done so.



**WILL THE
SUBSIDY BE
PAID UPFRONT
OR
REIMBURSED?**

We understand that the subsidy will be paid back. The government indicated that funding will be available in the next 6 weeks and retroactive to March 15.

Eligibility Period	Dates
Period 1	March 15 – April 11
Period 2	April 12 – May 9
Period 3	May 10 – June 6



**DO I STILL
NEED TO REMIT
EMPLOYER'S
PAYROLL
CONTRIBUTIONS
?**

The Government will reimburse 100 per cent of for certain employer-paid contributions to EI, CPP, QPP, and QPIP.

Eligibility:

This refund would cover 100 per cent of employer-paid contributions for eligible employees for each week throughout which those employees are on leave with pay and for which the employer is eligible to claim for the CEWS for those employees.

AMOUNT OF SUBSIDY – EXAMPLES

For employees hired before March 15, the subsidy will cover the lesser of:

- 75% of the pre-crisis weekly remuneration paid (up to \$847 per week); or
- Current weekly remuneration paid (up to \$847 per week).

***The pre-crisis pay is based on the average weekly remuneration paid between January 1 and March 15 inclusively, excluding any 7-day periods in which the employee did not receive any pay.**

For example,

- If you have an employee with a pre-crisis weekly pay of \$1000 and this employee has now a weekly pay of \$800, you will receive a subsidy of \$750.
- If you have one employee with a pre-crisis weekly pay of \$1000 and this employee has now a weekly pay of \$500, you will receive a subsidy of \$500.
- If you hire a new employee in April, with a weekly pay of \$500, you will receive \$375.



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REVENUE CALCULATION - GUIDELINES

- Employers are allowed to calculate their revenues under the accrual accounting method or the cash method. However, not a combination of both.
- Once a method is selected at the time of application for the CEWS, employers are required to use that method for the entire duration of the program.
- Change in revenue will be based on a year over year approach or on an average revenue earned in January and February, 2020.
- Employers are also required to use the same approach for the entire duration of the program.



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TEMPORARY WAGE SUBSIDY FOR EMPLOYERS (10%) – TWS

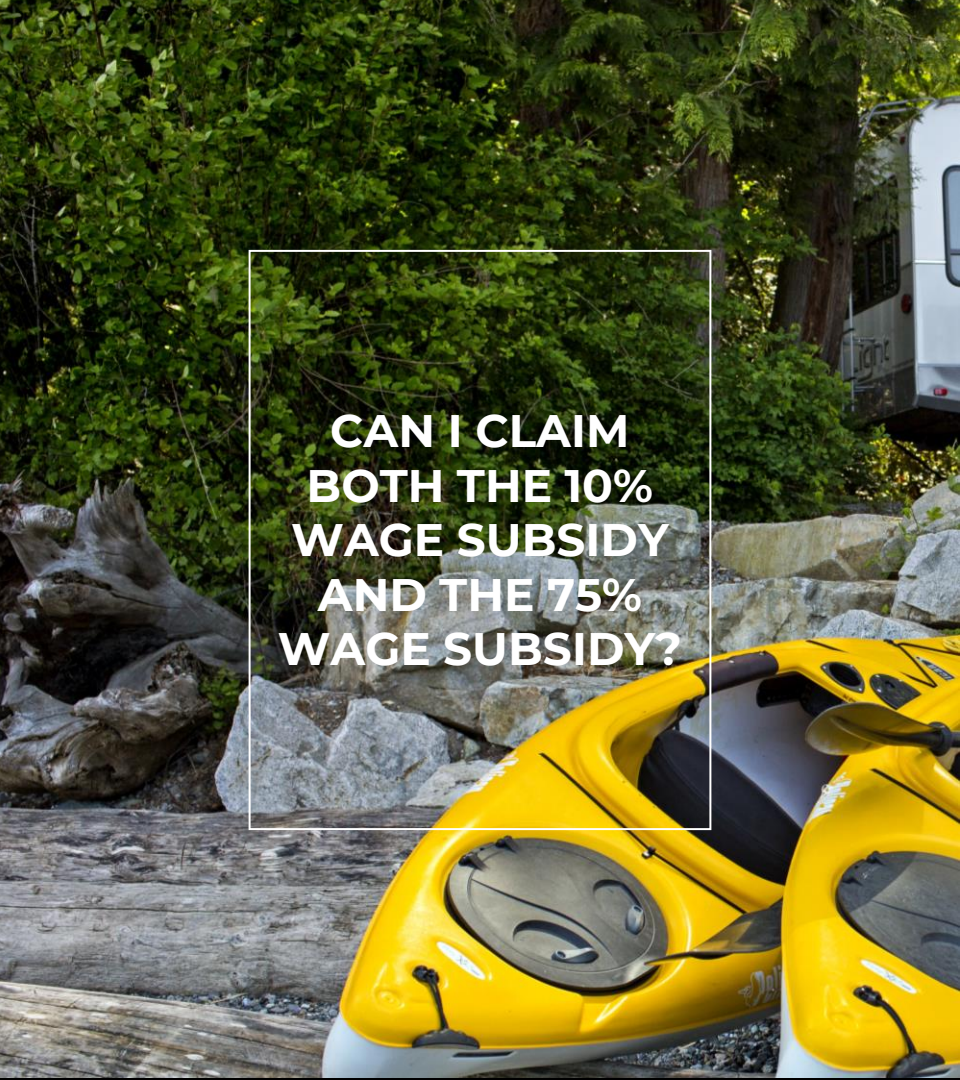
- For a period up to 3 months from March 18, 2020 to June 19, 2020
- Cover 10% of the remuneration paid from March 18, 2020 to June 19, 2020, up to a maximum subsidy of \$1,375 for each eligible employee and to a maximum of \$25,000 total per employer
- Eligible employers are Canadian-Controlled Private Corporation (incorporated) eligible to the small business deduction or non-profit organizations, registered charities
- Funds available immediately by reducing the amount of payroll deductions required to be remitted to the CRA. No application needed.



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HOW DO I RECEIVE THE 10% WAGE SUBSIDY?

- You can reduce your remittance of federal, provincial, or territorial income tax that you send to the CRA by the amount of the subsidy. You will be able to keep a portion of your employees' income tax instead of remitting it all to the CRA
- For example, if you have 2 employees for a total biweekly labour cost of \$3,000 and you deduct \$700 from their pay for the federal and provincial income tax, you will be able to remit to CRA only \$400 and keep the remaining \$300 for you as you have a subsidy of \$300
- The calculation is the following: Planned income Tax remittance – 10% subsidy = New Income Tax remittance

A photograph of a campsite. In the foreground, a yellow kayak is partially visible. In the background, there is a white RV parked on a rocky area, and a log cabin is visible through the trees. The scene is surrounded by lush green foliage.

**CAN I CLAIM
BOTH THE 10%
WAGE SUBSIDY
AND THE 75%
WAGE SUBSIDY?**

For employers that are eligible for both the Canada Emergency Wage Subsidy and the 10 per cent wage subsidy for a period, any benefit from the 10 per cent wage subsidy for remuneration paid in a specific period would generally reduce the amount available to be claimed under the Canada Emergency Wage Subsidy in that same period.



WORK-SHARING PROGRAM

The Work Sharing Program is a three-way agreement that can be negotiated between Service Canada, the employer and the employee to provide EI benefits to workers who agree to reduce their normal working hour as a result of developments beyond the control of their employers.

The program has been temporarily updated for business and workers affected by COVID-19. These changes include:

- Extension of the maximum duration from 38 weeks to 76 weeks.
- The 30 cooling-off period will be waived for only those who have used the work-sharing program in the past.
- Businesses can now see their application being accepted within 10 days instead of 30.

[Click here](#)



**CANADA
EMERGENCY
BUSINESS
ACCOUNT (CEBA)**

- Interest-free loans of up to \$40,000 for small businesses and not-for-profits, to help cover their operating costs during a period where their revenues have been temporarily reduced.
- To qualify, businesses will need to demonstrate they paid between \$20,000 to \$1.5 million in total payroll in 2019.
- Online application through your primary financial institution.
- **Requirements may include:**
 - An active business account at the bank as of March 1, 2020
 - Interest rate at 0% until December 31, 2022 and no minimum monthly principal payments until December 31, 2022
 - Loan forgiveness up to \$10,000 provided balance is fully paid on or before Dec 31, 2022



**CANADA
EMERGENCY
COMMERCIAL
RENT
ASSISTANCE
(CECRA)**

- Provides relief to small businesses experiencing financial hardship due to COVID-19. Agreement in principle has been reached with provinces and territories to implement.
- Government will reduce rent by 75% for small and medium businesses strongly affected by COVID-19 for the months of April, May and June
- Those that pay less than \$50,000 in monthly rent and have temporarily ceased operations, or have experienced at least a 70% drop in pre-COVID revenues are eligible
- Support is also available to non-profit and charitable organizations
- Expected to be operational by mid-May, further details to be announced soon.
- Rent support for larger businesses to be announced in coming weeks.

BUSINESS CREDIT AVAILABILITY EMERGENCY PROGRAM (BCAP)

- Loan and guarantee program for small businesses with cash flow challenges
- Funds will be available through your primary financial institution and BDC/EDC

1. Business Development Canada (BDC) co-lending (with financial institutions)

- Up to \$6.25 million
- Commercial interest rate
- 10-year repayment period
- Available through your primary financial institution

2. Export Development Canada BCAP Guarantee

- Up to \$6.25 million
- EDC will provide a guarantee to your financial institution, giving you access to additional credit for payroll and operational costs.
- Available through your primary financial institution
- Loan forgiveness up to \$10,000 provided balance is fully paid on or before Dec 31, 2022



GST AND HST REMITTANCES DEFERRAL

- Businesses have until June 30 to remit GST/HST due to the government
- Any GST/HST payment that becomes owing from March 27 until the end of May can be deferred until the end of June.
- No interest will apply if your payments or remittances are made by the end of June 2020.
- The deadline to file returns remain unchanged.

For more information: [Click here.](#)



**CORPORATE TAX
FILING
AND PAYMENTS
DEFERRAL**

- **Filing due date**
 - Extended to June 1, 2020 – filing due date after March 18 and before June 1, 2020
- **Payment due date**
 - Extended to Sept 1, 2020 – balances and instalments under Part 1 of the Income Tax Act due on or after March 18 and before Sept 1, 2020

A black and white bus is driving on a road that curves to the right. The road is flanked by a dense forest of tall, thin trees. The bus is in the center of the frame, moving towards the viewer. The background is slightly blurred, suggesting motion. The overall scene is bright and clear.

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SUPPORT
YOUR EMPLOYEES

CANADA EMERGENCY RESPONSE BENEFIT (CERB)/EI

- CERB and EI have been merged. All employees laid off after March 15 will receive CERB
- Amount of benefit is \$2,000 a month for up to 4 months through direct deposit or by cheque
- Application started this month through a CRA online portal or by phone at 1-800-959-2019
[Click here](#)
- Eligibility criteria include:
 - Loss of work, sickness, quarantine or taking care of someone who is sick with COVID-19
 - Parents who must stay home without pay to care for children who are sick or at home because of school and daycare closures
 - Income of at least \$5,000 in 2019 or in the 12 months prior to the date of their application (\$5,000 income does not have to be earned in Canada, but you need to reside in Canada)
- The government recently relaxed the criteria to allow more Canadians to benefit:
 - If you earn \$1,000 a month or less, you can now receive the CERB
 - Workers who have run out of EI benefits can also receive the CERB
 - CERB will also be available to seasonal workers
- As it stands, workers who voluntarily quit their jobs will not be eligible for CERB

CANADA EMERGENCY STUDENT BENEFIT (CESB)

- Government announced \$9 billion in support package for students across the country
- \$1,250 per month to current post-secondary students, as well as those starting in September 2020 and those who graduated no earlier than December 2019
- \$1,750 per month for eligible students with dependents or disabilities
- Benefit would be available from May to August 2020

Benefit is pending the passage of legislation. More details to be made available soon.



THANK YOU



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