

RICHTER

NOVEMBER 2020



COVID-19: CANADA EMERGENCY WAGE SUBSIDY: PROGRAM SUMMARY TABLE

		DETERMINE ELIGIBILITY					
		ELIGIBLE EMPLOYER	CEWS PERIOD	Compute Revenues (2)	Comparative Benchmark	Revenue Decline Threshold	Auto-Qualification (Period 1 - 4) and Ability to Look-Back (Period 5 - 9)
OLD REGIME	(a) Employer with a payroll number on Mar. 15, 2020	Period 1: Mar. 15, 2020 to Apr. 11, 2020	Normal accounting practice	(a) same month in 2019	Period 1: 15% decline in Mar.	Where an employer meets the revenue decline test for one period, they will be deemed to have met the revenue decline test for the next period	
		Period 2: Apr. 12, 2020 to May 9, 2020					
		Period 3: May 10, 2020 to June 6, 2020					
		Period 4: June 7, 2020 to July 4, 2020					
NEW REGIME	(b) Employer's payroll is administered by another person and the source deductions are remitted under that person's business number, which was in place on Mar. 15, 2020	Period 5: July 5, 2020 to Aug. 1, 2020	Cash (3)	(b) average Jan.-Feb. 2020 (3)	Period 2: 30% decline in Apr.	If the previous monthly revenue decline is greater than the revenue decline of the month in which the claim is being made, the revenue decline of the prior month should be used in order to determine the CEWS percentage	NAL Election or Affiliation Election or Unconsolidation Election
		Period 6: Aug. 2, 2020 to Aug. 29, 2020 (1)					
		Period 5: July 5, 2020 to Aug. 1, 2020					
		Period 6: Aug. 2, 2020 to Aug. 29, 2020 (1)					
		Period 7: Aug. 30, 2020 to Sept. 26, 2020					
		Period 8: Sept. 27, 2020 to Oct. 24, 2020					
		Period 9: Oct. 25, 2020 to Nov. 21, 2020					
		Period 10: Nov. 22, 2020 to Dec. 19, 2020					
Period 11 onwards: Dec. 20, 2020 until June 30, 2021	Details to be confirmed						

FOOTNOTES

- (1) For Period 5 and 6, you have the ability to access the old regime if the revenue decline of the month in which the claim is being made or the prior month is 30% or more.
- (2) Exclude – Extraordinary items and amounts on account of capital, amounts received under CEWS and CERS or deemed remittance under Temporary Wage subsidy as well as amounts received from non-arm's length (NAL) entities (subject to elections discussed in the Alternative Methods).
If you are a Charity or a NPO, you can choose to include or exclude funding from government sources
- (3) Election required
- (4) Effective July 5, 2020, the subsidy calculation applicable to employees on paid leave has been modified and may represent an opportunity to retain employees, even if a full workforce is not required on or after July 2020.
- (5) The same comparative benchmark selected for Period 5 - 9 must be used for this purpose.
- (6) Election required and different methods can be used in each period.
- (7) Defined as an individual primarily employed in Canada from November 19 2020, onwards.
- (8) Application and elections can be amended or revoked before the deadline.

CEWS PERIOD		CALCULATE CEWS					Eligible Employee	Baseline Remuneration Average weekly eligible remuneration, excluding any period of 7 or more consecutive days for which the employee was not paid	Eligible Remuneration	Filing Deadline (8)
		CEWS percentage								
		OLD REGIME	NEW REGIME Base Amount		NEW REGIME Top-up Amount					
		if revenue decline threshold is met	if revenue decline is less than 50%	if revenue decline is 50% or more	if average revenue decline is more than 50% in the prior three-months					
The below percentages are applied to the salary paid to an employee that is not on paid leave in a week up to a maximum of \$1,129. As under the previous CEWS regime, there are special rules for non-arm's length employees. There are also special rules for employees who are on paid leave (4).										
OLD REGIME	Period 1: Mar. 15, 2020 to Apr. 11, 2020 Period 2: Apr. 12, 2020 to May 9, 2020 Period 3: May 10, 2020 to June 6, 2020 Period 4: Jun. 7, 2020 to July 4, 2020	75%	N/A			Individual employed in Canada, other than an individual who is without remuneration for 14 or more consecutive days	(a) Jan. 1, 2020 to Mar. 15, 2020 or (b) Mar. 1, 2019 to May 31, 2019 (3)	Weekly earnings per employee	Jan. 31, 2021	
	Period 5: July 5, 2020 to Aug. 1, 2020 Period 6: Aug. 2, 2020 to Aug. 29, 2020 (1)		75% (1)	N/A (1)						Individual employed in Canada (7)
NEW REGIME	Period 5: July 5, 2020 to Aug. 1, 2020 Period 6: Aug. 2, 2020 to Aug. 29, 2020 (1)	N/A	1.2 * (revenue decline %)	60%	1.25 * (prior three-month average revenue a decline - 50%), up to a maximum of 25% (5)	Individual employed in Canada (7)	(a) Jan. 1, 2020 to Mar. 15, 2020 or (b) July 1, 2019 to Dec. 31, 2019 (3)	Weekly earnings per employee	Period 5: Jan. 31, 2021 Period 6: Feb. 25, 2021	
	Period 7: Aug. 30, 2020 to Sept. 26, 2020		1 * (revenue decline %)	50%						
	Period 8: Sept. 27, 2020 to Oct. 24, 2020		0.8 * (revenue decline %)	40%	Greater of: 1.25 * (<i>prior three-month average revenue decline - 50%</i>), up to a max. of 25% or 1.25 * (<i>current or prior month revenue decline (whichever is greater) - 50%</i>), up to a max. of 25% (5)					
	Period 9: Oct. 25, 2020 to Nov. 21, 2020									
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Period 11 onwards: Dec. 20, 2020 until June 30, 2021						Details to be confirmed				

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