

RICHTER

NOVEMBER 2020



**COVID-19: CANADA
EMERGENCY RENT
SUBSIDY: PROGRAM
SUMMARY TABLE**

DETERMINE ELIGIBILITY

Applicant	Qualifying Property	Qualifying Expense	CERS Period	Filing Deadline (1)	Compute Revenues (2)	Comparative Benchmark	Ability to Look Back	Alternative Methods (4)
<p>Applicant has a business number on Sept. 27, 2020 and provides required information to the Minister</p> <p style="text-align: center;">or</p> <p>Applicant is an employer with a payroll number on Mar. 15, 2020 or its 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</p>	<p>Commercial real or immovable property situated in Canada used in the course of its ordinary activities</p>	<p>Tenants: Gross rent paid, excluding certain ancillary or extraordinary items</p>	<p>Period 1: Sept. 27, 2020 to Oct. 24, 2020 (same as CEWS Period 8)</p>	Apr. 22, 2021	Normal accounting practice	<p>(a) same month in 2019</p> <p>or</p> <p>(b) average Jan.-Feb. 2020 (3)</p> <p>Note - the selection must be used consistently until at least Dec. 19, 2020</p>	<p>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 CERS percentage</p>	<p>NAL Election</p> <p>or</p> <p>Affiliation Election</p> <p>or</p> <p>Unconsolidation Election</p>
		<p>Property Owners (provided that the property is not used to earn rent): Mortgage interest, insurance and property taxes</p>	<p>Period 2: Oct. 25, 2020 to Nov. 21, 2020 (same as CEWS Period 9)</p>	May 20, 2021	<p>Cash (3)</p> <p>or</p> <p>Accrual in accordance with GAAP (3)</p>			
		<p>Conditions for Tenants and Property Owners: *Maximum of \$75,000 worth of expenses per qualifying property per period *Expenses must be evidenced in a written agreement with an arm's length party before Oct. 9, 2020.</p>	<p>Period 3: Nov. 22, 2020 to Dec. 19, 2020 (same as CEWS Period 10)</p>	June 17, 2021	<p>Note - selection must be used consistently for all periods</p>			
		<p>Period 4 onwards: Dec. 20, 2020 until Jun. 30, 2021</p>			<p>Details to be confirmed</p>			

FOOTNOTES

- (1) Application or elections can be amended or revoked before this deadline.
- (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) Election required and different methods can be used in each period.
- (5) "Public Health Restriction" is a defined term that refers to a government shutdown of the business in response to COVID-19. The conditions are strict and a consultation with a professional is recommended before making a determination that a Public Health Restriction has occurred.
- (6) If the applicant is a member of an affiliated group (as that term is defined in the Income Tax Act) and other members of that group are making a CERS application, these members must enter into an agreement to allocate the \$300,000 amount.

CERS PERIOD	CALCULATE CERS					
	CERS Percentage			Subsidy Computation		
	Subsidy Percentage		Top-Up Percentage	Base Subsidy	Top-Up Subsidy	
	if revenue decline is less than 50%	if revenue decline is between 50% and 69%	if revenue decline is 70% or more	Additional Lockdown Support	The Qualifying Expense for these purposes is capped at the lesser of \$75,000 per qualifying property per period and the applicant's share of \$300,000 per period (6)	The Qualifying Expense for these purposes are capped at \$75,000 per qualifying property per period
Period 1: Sept. 27, 2020 to Oct. 24, 2020 (same as CEWS Period 8)						
Period 2: Oct. 25, 2020 to Nov. 21, 2020 (same as CEWS Period 9)	0.8 * (revenue reduction %)	40% + [1.25 * (revenue reduction % - 50%)]	65%	25%*(# of days in which "public health restriction" is in effect/# days in qualifying period) (5)	(Subsidy Percentage * Qualifying Expense)	(Top-Up Percentage * Qualifying Expense)
Period 3: Nov. 22, 2020 to Dec. 19, 2020 (same as CEWS Period 10)						
Period 4 onwards: Dec. 20, 2020 until Jun. 30, 2021	Details to be confirmed					

FOOTNOTES

- (1) Application or elections can be amended or revoked before this deadline.
- (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) Election required and different methods can be used in each period.
- (5) "Public Health Restriction" is a defined term that refers to a government shutdown of the business in response to COVID-19. The conditions are strict and a consultation with a professional is recommended before making a determination that a Public Health Restriction has occurred.
- (6) If the applicant is a member of an affiliated group (as that term is defined in the Income Tax Act) and other members of that group are making a CERS application, these members must enter into an agreement to allocate the \$300,000 amount.