

Federal recovery measures guide

Government of Canada's COVID-19 reopening the economy plan

Current as of October 22, 2020



Support for individuals

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| <p>Employment Insurance (EI) Program</p> <p>Effective September 27, 2020</p> | <p>EI provides income support to Canadians who are looking for work. You may be eligible for temporary EI benefits if you:</p> <ul style="list-style-type: none"> • Were employed for at least 120 insurable hours in the past 52 weeks. If you received the CERB, the 52-week period to accumulate insured hours will be extended. • Stopped working through no fault of your own. • Have not quit your job voluntarily. • Are ready, willing and capable of working each day (EI regular benefits). • Are temporarily unable to work while you care for someone else or yourself (EI maternity, parental, sickness, compassionate care, and family caregiver benefits). <p>If you received the CERB through Service Canada, you will be automatically transitioned to the EI program if you qualify and continue to need income support.</p> <p>If you received the CERB from the Canada Revenue Agency (CRA) and you qualify for EI you will need to apply through Service Canada after September 26. You will also need to apply if you hold a Social Insurance Number (SIN) that starts with a 9, you're self-employed or you declared that you returned to work full-time on your CERB report.</p> | <p>Temporary minimum eligibility requirement for all provinces</p> <p>Under this temporary EI program, the Government of Canada will set <i>uniform eligibility requirements across Canada for EI regular and special benefits</i> at:</p> <ul style="list-style-type: none"> • 420 hours of insurable employment for regular EI benefits (before the insurable hours credit is applied), • 600 hours of insurable employment for special EI benefits (before the insurable hours credit is applied), • Provide a minimum entitlement of 26 weeks of regular benefits, and • Set 14 as the number of best weeks of earnings used in the calculation of the weekly benefit rate. <p>Summary of temporary measures to help Canadians access regular EI benefits more easily:</p> <ul style="list-style-type: none"> • 120 non-credited insurable hours of work required to qualify (see column with insurable hours credit), • Minimum benefit rate of \$500 per week, and • At least 26 weeks of regular benefits. <p>For more information on regular Employment Insurance benefits visit: https://www.canada.ca/en/services/benefits/ei/ei-regular-benefit.html</p> | <p>Minimum benefit rate</p> <p>If you become eligible for EI benefits on or after September 27, claimants will receive a minimum benefit rate of \$500 per week (or \$300 for extended parental benefits). Eligibility for the first EI payment is at the end of the two weeks that you are out of work. The first EI payment will be as of October 11, 2020.</p> <p>Insurable hours credit</p> <p>To help individuals qualify for the minimum of 120 insurable hours of work required, EI claimants will receive a one-time insurable hours credit of:</p> <ul style="list-style-type: none"> • 300 insurable hours for claims for regular benefits (job loss). • 480 insurable hours for claims for special benefits (sickness, maternity/parental, compassionate care or family caregiver). <p>The insurable hours credit will be available for new EI claims for a period of one year.</p> <p>Special EI benefits</p> <p>The hours credit will also be made retroactive to March 15, 2020 for claimants who were looking to transition early from the CERB to EI maternity, parental, compassionate care, family caregiver or work-sharing benefits but could not establish their EI claim due to insufficient hours. For these claimants, the qualifying period will also be extended.</p> | <p>For more information on transitioning from CERB to EI or to one of the three new recovery benefits, visit: https://www.canada.ca/en/services/benefits/ei/cerb-application/transition.html</p> <p>The waiting period as well as the requirement to provide a medical certificate will be waived, however Service Canada will retain the ability to request evidence of sickness for integrity purposes.</p> <p>After the CERB, if you do not qualify for EI you may qualify for one of three new temporary measures:</p> <ol style="list-style-type: none"> 1. Canada Recovery Benefit, 2. Canada Recovery Sickness Benefit, or 3. Canada Recovery Caregiving Benefit. <p>See the following sections for details.</p> |

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| <p>Canada Recovery Benefit (CRB)</p> | <p>The CRB will be available to employees and self-employed individuals not eligible for EI. You may qualify if you meet the following criteria during each period you want to apply for:</p> <ul style="list-style-type: none"> • Are resident and present in Canada during the two-week period, • Are 15 years old on first day of the two-week period and have a valid Social Insurance Number (SIN), and • Had employment income, self-employment income, certain EI benefits or certain provincial benefits of at least \$5,000 in 2019, 2020 or in the 12-month period preceding the application day. <p>The CRB is for individuals:</p> <ul style="list-style-type: none"> • Who are not employed or self-employed, or experience a reduction of at least 50% in their average weekly income (employment or self-employment) due to COVID-19 for a two-week period, • Are available and looking for work, • Have not quit their job voluntarily, and • Who do not qualify for EI, and don't receive benefits under certain provincial programs, CRSB or CRCB during the two-week period. | <p>You must re-apply after every two-week period for which you are seeking income support and must continue to meet all eligibility requirements.</p> <p>Applications for the CRB began on October 12, 2020. For details on the program and how to apply, visit: https://www.canada.ca/en/revenue-agency/services/benefits/recovery-benefit.html</p> <p>You must not have applied or receive any of the following benefits:</p> <ul style="list-style-type: none"> • Other recovery benefits • Short-term disability • Workers compensation • Employment Insurance • Quebec Parental Insurance Plan | <p>This recovery program is effective September 27, 2020 for a one-year period until September 25, 2021.</p> <p>The CRB program provides a benefit amount of \$500 per week for up to 26 weeks (13 2-week periods). CRA will withhold 10% tax at source therefore the actual payment will be \$900 per 2-week period.</p> <p>The CRB will be clawed back at a rate of \$.50 for every dollar of income in excess of \$38,000 to a maximum amount equal to the CRB received for that calendar year.</p> <p>Retroactive applications must be made within 60 days after the end of the two-week period you wish to apply for.</p> | <p>The CRA will verify your eligibility to receive the CRB. If there is information missing from your application or additional information is required, CRA may need you to provide additional documentation to validate your application in order to complete the process, thus your payment could be delayed.</p> <p>In order to continue to be eligible for the CRB, the claimant would need to look for and accept work when it is reasonable to do so.</p> <p>There are additional provisions to restrict access to the CRB if a person has failed to return to employment or resume self-employment when it was reasonable to do so or have declined a reasonable offer to work. If a person's situation was unreasonable, the benefit can be denied, and the maximum number of two-week periods (13 2-week periods) will be reduced by five 2-week periods.</p> |

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| <p>Canada Recovery Sickness Benefit (CRSB)</p> | <p>The CRSB will be available to employees and self-employed individuals not eligible for EI. You may qualify if you meet the following criteria during each period you want to apply for:</p> <ul style="list-style-type: none"> • Are resident and present in Canada during the two-week period, • Are 15 years old on the first day of the two-week period and have a valid Social Insurance Number (SIN), and • Had employment income, self-employment income, certain EI benefits, or certain provincial benefits of at least \$5,000 in 2019, 2020 or in the 12-month period preceding the application day. <p>The CRSB is for individuals:</p> <ul style="list-style-type: none"> • Who don't receive benefits under certain provincial programs, CRB or CRCB during the two-week period, • Who don't receive paid leave or have been paid under a sickness benefit plan, • Who are employed and unable to work for at least 50 per cent of the time they would have otherwise worked in the week, or who are self-employed and reduced their time devoted to their work by at least 50 per cent of the time they would have otherwise worked in the week, and • Contracted or might have contracted COVID-19, • Have underlying conditions, in the opinion of a medical or nurse practitioner, would make them more susceptible to COVID-19, or • They isolated themselves on the advice of their employer, medical or nurse practitioner. | <p>You must reapply after the one-week period in which you are seeking income support and must continue to meet all eligibility requirements.</p> <p>Applications for the CRSB began on October 5, 2020. For details on the program and how to apply, visit: https://www.canada.ca/en/revenue-agency/services/benefits/recovery-sickness-benefit/crsb-who-apply.html</p> <p>You must not have applied or receive any of the following benefits:</p> <ul style="list-style-type: none"> • Other recovery benefits • Short-term disability • Workers compensation • Employment Insurance • Quebec Parental Insurance Plan | <p>This recovery program is effective September 27, 2020 for a one-year period until September 25, 2021.</p> <p>The CRSB program provides \$500 per week for up to a maximum of two weeks. The CRA will withhold 10 per cent tax at source therefore the actual payment will be \$450 per 1-week period.</p> <p>Retroactive applications must be made within 60 days after the end of the week for the period you wish to apply for.</p> | <p>The CRA will verify your eligibility to receive the CRSB. If there is information missing from your application or additional information is required, CRA may need you to provide additional documentation to validate your application in order to complete the process, thus your payment could be delayed.</p> <p>Workers would not be required to have a medical certificate to qualify for the CRSB.</p> <p>This new benefit is part of the Safe Restart Agreement with provinces and territories designed to provide up to two weeks of sick leave to all Canadians in the context of COVID-19.</p> |

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| <p>Canada Recovery Caregiving Benefit (CRCB)</p> | <p>The CRCB will be available to employees and self-employed individuals not eligible for EI. You may qualify if you meet the following criteria during each period you want to apply for:</p> <ul style="list-style-type: none"> • Are resident and present in Canada during the two-week period, • Are 15 years old on first day of two-week period and have a valid Social Insurance Number (SIN), and • Had employment income, self-employment income, certain EI benefits, or certain provincial benefits of at least \$5,000 in 2019, 2020 or in the 12-month period preceding the application day. <p>The CRCB is for individuals:</p> <ul style="list-style-type: none"> • Who don't receive benefits under certain provincial programs, CRB or CRSB during the two-week period, • Who don't receive paid leave or have been paid under a sickness benefit plan, • Who is the only person in your household applying for the benefit for the week, • Who have been unable to work for at least 50 per cent of their normally scheduled work within a given week because of one of the following conditions: <ul style="list-style-type: none"> • They must take care of a child who is under 12 years of age or a family member who needs supervised care because they are at home for one of the following reasons relating to COVID-19: <ul style="list-style-type: none"> • Their school, daycare or day program/facility is closed or unavailable to them, • The person under your care is sick or has symptoms, or is at high risk of serious health complications or if they are self-isolating, or • The caregiver who usually provides care is not available. | <p>You must reapply after the one-week period in which you are seeking income support and must continue to meet all eligibility requirements.</p> <p>Applications for the CRCB began on October 5, 2020. For details on the program and how to apply, visit: https://www.canada.ca/en/revenue-agency/services/benefits/recovery-caregiving-benefit.html</p> <p>You must not have applied or receive any of the following benefits:</p> <ul style="list-style-type: none"> • Other recovery benefits • Short-term disability • Workers compensation • Employment Insurance • Quebec Parental Insurance Plan | <p>This recovery program is effective September 27, 2020 for a one-year period until September 25, 2021.</p> <p>The CRCB program provides a benefit amount of \$500 per week for up to 26 weeks per household. The CRA will withhold 10 per cent tax at source, therefore the actual payment will be \$450 per 1-week period.</p> <p>Retroactive applications must be made within 60 days after the end of the week for the period you wish to apply for.</p> | <p>The CRA will verify your eligibility to receive the CRCB. If there is information missing from your application or additional information is required, the CRA may need you to provide additional documentation to validate your application in order to complete the process, thus your payment could be delayed.</p> <p>Two members residing in the same household cannot be in receipt of the benefit for the same period.</p> |

Support for businesses

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| <p>Canada Emergency Wage Subsidy (CEWS)</p> <p>Claim periods 1 to 4 covers (CEWS 1.0): March 15 to July 4, 2020</p> <p>Claim periods 5 to 7 covers (CEWS 2.0): July 5 to September 26, 2020</p> <p>Claim periods 8 to 10 covers (CEWS 3.0): September 27 to December 19, 2020</p> | <p>Eligible entities would include:</p> <ul style="list-style-type: none"> Individuals (including all trusts for periods 1 and 2 only), Taxable corporations (including taxable trusts for period 3 and subsequent periods), Partnerships (with up to 50 per cent fair market value held by non-eligible entity partners), Specific tax-exempt entities, including agricultural organizations, boards of trade, chambers of commerce, non-profit corporations for Scientific Research and Experimental Development (SR&ED), labour organizations, non-profit organizations, registered charities, Indigenous government-owned businesses, registered Canadian amateur athletic associations, registered journalism organization, and Non-public educational and training institutions. <p>Municipalities and local governments, crown corporations, public universities, colleges, schools and hospitals would not be eligible.</p> <p>CEWS is available for eligible entities who experience a decrease in gross revenues during the respective periods.</p> <p>See sections below for additional information related to:</p> <ul style="list-style-type: none"> CEWS 1.0 for claim periods 1 to 4, CEWS 2.0 for claim periods 5 to 7, and CEWS 3.0 for claim periods 8 to 10 <p>An eligible entity's revenue would be considered revenue arising in the course of ordinary activities from arm's length sources in Canada calculated using either the accrual or cash method of accounting.</p> <p>Tax-exempt entities will be allowed to choose whether or not to include revenue from government sources. Method chosen must be consistently applied for each period of a claim.</p> | <p>Eligible entities must have a payroll account with the CRA on March 15, 2020 or use a payroll service provider and meet specific criteria in order to qualify.</p> <p>Apply for CEWS using one of three methods:</p> <ol style="list-style-type: none"> <u>CRA's My Business Account</u>, <u>Web Forms application</u> with your <u>web access code</u> (or you will need to provide the date of registration or the total income tax reported in box 22 of the most recent original 2018 tax year submitted T4 summary), or <u>Represent a client</u> (if you use represent a client the <u>Attestation form</u> for representatives must be completed and signed). <p>For more information and to apply: https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy.html</p> <p>To speed up the receipts of funds, it is recommended to set up direct deposit, as the CEWS benefits will be in the form of a direct payment from the CRA.</p> <p>The respective claim periods are as follows:</p> <ul style="list-style-type: none"> Period 1 covers March 15 to April 11 Period 2 covers April 12 to May 9 Period 3 covers May 10 to June 6 Period 4 covers June 7 to July 4 Period 5 covers July 5 to August 1 Period 6 covers August 2 to August 29 Period 7 covers August 30 to September 26 Period 8 covers September 27 to October 24 Period 9 covers October 25 to November 21 Period 10 covers November 22 to December 19 | <p>The CEWS benefit is reduced by any benefit received under either the business wage subsidy or the EI work-share program.</p> <p>Eligible remuneration for the wage subsidy calculations (detailed below for CEWS 1.0 and CEWS 2.0) may include salary, wages and other remuneration, but excludes severance pay, stock option benefits and personal use of a corporate vehicle.</p> <p>Baseline Remuneration Period The default baseline remuneration period is January 1 to March 15, 2020 for all claim periods.</p> <p>The eligible employer can elect on an employee by employee basis to use an alternative baseline remuneration period:</p> <ul style="list-style-type: none"> Periods 1 to 4 – March 1 to May 31, 2019. Period 4 only – alternatively can elect to use March 1 to June 30, 2019. Periods 5 to 10 – July 1, 2019 to December 31, 2019. <p>There are additional rules for calculating revenue related to:</p> <ul style="list-style-type: none"> Consolidated statements, Affiliated groups, Joint ventures, Non-arm's length groups, Amalgamated companies, Purchase of all or substantially all business assets of another entity, and Cash basis vs. accrual basis of accounting. <p>There is no overall limit on the subsidy amount that an eligible employer may claim.</p> | <p>Change a prior submitted claim You are now able to correct previously submitted claims using the following methods:</p> <ol style="list-style-type: none"> CRA's My Business Account, Authorized representatives for employers can request an adjustment using Represent a Client, however you will need to have an updated attestation form, or If you applied using the Web Forms application and need to change your claim, you may call CRA's business enquiries phone number (1.833.966.2099). <p>When completing the adjustment, you will need:</p> <ul style="list-style-type: none"> Your payroll program account number, To know which claim period you are adjusting, and All of the information necessary to change the amount on each line(s) you would like to adjust. <p>Eligible entities may be required to repay amounts paid under the CEWS if they do not meet eligibility requirements. Penalties, fines or even imprisonment may apply in cases of fraudulent claims.</p> <p>This subsidy is considered government assistance and is to be included in the eligible entity's taxable income (as well as reduce various federal tax credits).</p> <p>To help navigate the complexities of this program, please consult your Baker Tilly advisor.</p> |

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| <p>Canada Emergency Wage Subsidy (CEWS)</p> <p>CEWS 1.0</p> <p>Additional criteria related to Claim Periods 1 to 4 (March 15, 2020 to July 4, 2020).</p> | <p>The respective claim periods are as follows:</p> <ul style="list-style-type: none"> • Period 1 covers March 15 to April 11 • Period 2 covers April 12 to May 9 • Period 3 covers May 10 to June 6 • Period 4 covers June 7 to July 4 <p>CEWS 1.0 is available for eligible entities who experience a decrease in gross revenues during the respective reference periods of at least:</p> <ul style="list-style-type: none"> • Period 1 - 15% for March 2020 • Period 2 - 30% for April 2020 • Period 3 - 30% for May 2020 • Period 4 - 30% for June 2020 | <p>The decrease in revenues for a particular month can be benchmarked using one of two methods:</p> <ol style="list-style-type: none"> 1. Year over year by using same month in 2019, or 2. Average gross revenue earned in January and February 2020. <p>You must select method 1 or 2 and use consistently throughout all four claim periods. Method 2 calculation is designed to accommodate start-ups.</p> <p>In the first four claim periods, the availability of CEWS is based on reaching the decrease in gross revenue for that particular period. This approach results in an all or nothing subsidy determination. In order to mitigate this fact, there is a deeming provision that once an employer is eligible for a particular claim period, the employer will automatically qualify for the immediately subsequent period</p> | <p>A special rule applies to employees that do not deal at arm's length with the employer to restrict the amount of the subsidy to 75 per cent of the average weekly remuneration paid during the baseline remuneration period.</p> <p>See above for details on baseline remuneration period.</p> | <p>Subsidy under CEWS 1.0</p> <p>Is on the first \$58,700 earned by employees, which can result in an amount up to \$847/week ($\\$58,700 \times 75\% / 52$ weeks).</p> <p>Eligibility for the CEWS of an employee's remuneration will be limited to employees who are employed in Canada by the eligible entity in the qualifying period, other than an employee who is without remuneration for more than 14 consecutive days in the qualifying period.</p> |

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| <p>Canada Emergency Wage Subsidy (CEWS)</p> <p>CEWS 2.0</p> <p>Additional criteria related to: Claim periods 5 to 7 (July 5 to September 26, 2020).</p> | <p>The respective claim periods are as follows:</p> <ul style="list-style-type: none"> • Period 5 covers July 5 to August 1 • Period 6 covers August 2 to August 29 • Period 7 covers August 30 to September 26 <p>Unlike the first four claim periods under CEWS 1.0, which results in an all or nothing wage subsidy, CEWS 2.0 claim periods 5 to 7 provide a wage subsidy subject to a sliding scale based on the degree of gross revenue decrease.</p> <p>CEWS 2.0 is available for eligible entities who experience a decrease in gross revenues during the respective claim periods.</p> <p>The wage subsidy percentage will consist of the aggregate of two parts and applies with respect to the remuneration of active employees:</p> <ol style="list-style-type: none"> 1. Base subsidy percentage: available to all eligible employers that are experiencing a decrease in revenues, and 2. Top-up subsidy percentage: up to an additional 25 per cent for those employers that have been most adversely affected by the COVID-19 crisis. <p>Rule for Periods 5 and 6 If their revenue decrease was at least 30 per cent, the eligible employer would be entitled to a base wage subsidy rate not lower than the rate that they would be entitled to if their entitlement were calculated under the rules that were in place for CEWS 1.0.</p> <p>This means that in periods 5 and 6, an eligible employer with a revenue decrease of 30 per cent or more in the respective reference period would receive a rate of at least 75 per cent or potentially an even higher rate using the new rules for the most adversely affected employers (up to 85 per cent).</p> | <p>1. Base subsidy percentage calculation:</p> <p>Determine percentage decrease in gross revenue, and if percentage decrease is:</p> <ul style="list-style-type: none"> • 50 percent or greater, then the maximum base subsidy is available, • Below 50 percent, then a lower base subsidy is available by multiplying the decrease in gross revenue percentage by the sliding scale rate for that respective period. <p>Maximum subsidy per claim period:</p> <ul style="list-style-type: none"> • Period 5 – 60% • Period 6 – 60% • Period 7 – 50% <p>Sliding scale rate per claim period:</p> <ul style="list-style-type: none"> • Period 5 – 1.2 • Period 6 – 1.2 • Period 7 – 1.0 <p>The base subsidy decrease in revenue for a particular month can be benchmarked using one of two methods:</p> <ol style="list-style-type: none"> 1. Year over year by using same month in 2019, or 2. Average gross revenue earned in January and February 2020. <p>Must select method 1 or 2 and use consistently throughout all CEWS 2.0 and CEWS 3.0 claim periods. Method 2 calculation is designed to accommodate start-ups.</p> <p>For claim period 5 to 7, an eligible employer would be able to use the greater of its percentage revenue decrease in the current period and that in the previous period for the purpose of determining the base subsidy only (not the top-up subsidy).</p> | <p>2. Top-up subsidy percentage calculation:</p> <p>The top-up subsidy provides an additional subsidy for employers that have experienced a 3-month average revenue decrease that exceeds 50 per cent, up to a maximum top up rate of 25 per cent calculated using the following formula:</p> <ul style="list-style-type: none"> • $1.25 \times (\text{decline in avg 3-month revenue \%} - 50\%)$ <p>An eligible employer's top-up subsidy would be determined based on the revenue decrease experienced in the preceding three months compared to a benchmark using one of two methods:</p> <ol style="list-style-type: none"> 1. Year over year by using the same three months in 2019, or 2. Average gross revenue earned in January and February 2020. <p>If method 2 is used for the base subsidy benchmark then it is automatically used for the top-up benchmark, otherwise benchmark method 1 must be used.</p> <p>The overall CEWS rate would be equal to the top-up CEWS rate plus the base CEWS rate.</p> | <p>Subsidy under CEWS 2.0</p> <p>Eligibility for the CEWS of an employee's remuneration will be limited to employees who are employed in Canada by the eligible entity in the qualifying period.</p> <p>The calculation of the wage subsidy is different between active and furloughed employees.</p> <p>Active employees: The wage subsidy for periods 5 to 7 for active employees is calculated applying the aggregate of the base subsidy and top-up subsidy percentages to the least of:</p> <ul style="list-style-type: none"> • Eligible remuneration, • \$1,129, and • Baseline remuneration for non-arm's length employees. <p>See special rule for periods 5 and 6 if revenue decrease was at least 30 per cent.</p> <p>Furloughed employees: The wage subsidy for furloughed employees is only available if the revenue reduction percentage for the base subsidy or top-up subsidy is greater than zero. If this criteria is met:</p> <ul style="list-style-type: none"> • The wage subsidy for claim periods 5, 6 and 7 are calculated the same as under CEWS 1.0. |

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| <p>Canada Emergency Wage Subsidy (CEWS)</p> <p>CEWS 3.0</p> <p>Additional criteria related to: Claim periods 8 to 10 (September 27 to December 19, 2020).</p> | <p>The respective claim periods are as follows:</p> <ul style="list-style-type: none"> • Period 8 covers September 27 to October 24 • Period 9 covers October 25 to November 21 • Period 10 covers November 22 to December 19 <p>Unlike the first four claim periods under CEWS 1.0, which results in an all or nothing wage subsidy, CEWS 3.0 claim periods 8 to 10 provides a wage subsidy subject to a sliding scale based on the degree of gross revenue decrease.</p> | <p>CEWS 3.0 (as announced on October 14th) has harmonized the baseline and top-up revenue decline test to only use the baseline revenue decline test which compares monthly revenues, year-over-year (or to the average of January and February 2020 – if elected) instead of using the current three month revenue decline test as documented in the Top-up subsidy calculation in CEWS 2.0.</p> <ul style="list-style-type: none"> • Since CEWS 3.0, representing periods 8-10 replaced the original design of CEWS 2.0 (periods 8-10), the government is allowing an eligible employer to use a top-up rate that is no less than it would have been if calculated under the three-month revenue decline test under CEWS 2.0. | <p>Harmonized base and top-up subsidy percentage calculation:</p> <p>Determine percentage decrease in gross revenue, and if percentage decrease is:</p> <ul style="list-style-type: none"> • Less than 50 per cent = .80 x decrease in revenue %, • Equal to 50 per cent = 40% max base with no top-up, or • Greater than 50 per cent = 40% base + top-up formula to a maximum of 25% [1.25 x (decrease in revenue % - 50%)], <p>Maximum subsidy of 65% (40% base + 25% top-up) for periods 8 to 10 is attained when the decrease in revenue reaches 70 per cent.</p> <p>The harmonized subsidy decrease in revenue for a particular month can be benchmarked using one of two methods:</p> <ol style="list-style-type: none"> 1. Year over year by using same month in 2019, or 2. Average gross revenue earned in January and February 2020. <p>Must select method 1 or 2 and use consistently throughout all CEWS 2.0 and CEWS 3.0 claim periods. Method 2 calculation is designed to accommodate start-ups.</p> <p>For claim period 8 to 10, an eligible employer would be able to use the greater of its percentage revenue decrease in the current period and that in the previous period for the purpose of determining the harmonized subsidy.</p> | <p>Subsidy under CEWS 3.0</p> <p>Eligibility for the CEWS of an employee's remuneration will be limited to employees who are employed in Canada by the eligible entity in the qualifying period.</p> <p>The calculation of the wage subsidy is different between active and furloughed employees.</p> <p>Active employees: The wage subsidy for periods 8 to 10 for active employees is calculated applying the aggregate of the base subsidy and top-up subsidy percentages to the least of:</p> <ul style="list-style-type: none"> • Eligible remuneration, • \$1,129, and • Baseline remuneration for non-arm's length employees. <p>See above for details on baseline remuneration period.</p> <p>Furloughed employees: The wage subsidy for furloughed employees is only available if the harmonized subsidy is greater than zero. If this criteria is met:</p> <ul style="list-style-type: none"> • The wage subsidy for claim periods 8 to 10 is equal to the least of: <ul style="list-style-type: none"> • Remuneration, and • Greater of: <ul style="list-style-type: none"> • \$500, and • 55% of pre-crises remuneration to a maximum of \$573. • For non-arm's length employees without baseline remuneration, the amount would be deemed to be NIL. |
| <p>Refund for certain payroll contributions (expanded CEWS measure)</p> | <p>If you are an eligible entity for CEWS (see above), then you will be eligible for the CEWS expansion for all claim periods 1 to 10, as long as you have eligible furloughed employees with pay.</p> <p>An employee will be considered to be furloughed with pay throughout a week if that employee is remunerated by the employer for that week but does not perform any work for the employer in that same week.</p> <p>This refund would not be available for eligible employees that are furloughed with pay for only a portion of a week.</p> | <p>Employers would be required to continue to collect and remit employer and employee contributions to Employment Insurance, the Canada Pension Plan, the Quebec Pension Plan and the Quebec Parental Insurance Plan, as usual.</p> <p>Eligible employers with furloughed employees would apply for a refund of these contributions at the same time that they apply for the CEWS.</p> <p>For periods 5 to 10, eligible employers must meet additional criteria in order to qualify for this refund. Eligible employers for periods 5 to 10 must have a revenue reduction percentage greater than zero for either:</p> <ul style="list-style-type: none"> • Base subsidy, or • Top-up subsidy. | | <p>The refund would cover 100 per cent of employer-paid contributions for eligible employees for each week throughout which those employees are furloughed with pay and for which the employer is eligible to claim for the CEWS for those employees.</p> <p>This refund would not be subject to the weekly maximum benefit per employee of \$847 that an eligible employer may claim in respect of the CEWS. There would be no overall limit on the refund amount that an eligible employer may claim.</p> <p>You must take into account the information described in the above CEWS (including CEWS 1.0, 2.0 and 3.0) measure for details on eligibility and other information that has been provided.</p> <p>If you have more questions regarding the CEWS measure, contact your Baker Tilly advisor.</p> |

| Measure | Eligibility | Benefit and criteria | | Additional info |
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| <p>Canada Emergency Rent Subsidy (CERS)</p> | <p>As announced on October 9, 2020, the new CERS provides rent and mortgage support until June 2021 for qualifying organizations affected by COVID-19.</p> <p>This new rent subsidy is to be provided directly to tenants while also providing support to property owners.</p> <p>The government will be providing further details on this program in the coming weeks.</p> | <p>The new rent subsidy would support businesses, charities and non-profits that have suffered a revenue drop by subsidizing a percentage of their expenses, on a sliding scale, up to a maximum of 65 per cent of eligible expenses until December 19, 2020. Organizations would be able to make claims retroactively for the period that began September 27 and ends October 24, 2020.</p> | <p>A top-up Canada Emergency Rent Subsidy of 25 per cent for organizations temporarily shut down by a mandatory public health order issued by a qualifying public health authority, in addition to the 65 per cent subsidy.</p> | <p>News release: https://www.canada.ca/en/department-finance/news/2020/10/government-announces-new-targeted-support-to-help-businesses-through-pandemic.html</p> |

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| <p>Canada Emergency Business Account (CEBA)</p> <p>This program is set to end December 31, 2020.</p> | <p>Eligibility requirements:</p> <ul style="list-style-type: none"> • Must be a Canadian operating business in operation as of March 1, 2020 and have a federal business number, • Total employment income paid in the 2019 calendar year was between \$20,000 and \$1,500,000, • For applicants with \$20,000 or less in total employment income paid in the 2019 calendar year: • Has a Canada Revenue Agency (CRA) business number and has filed a 2018 or 2019 tax return, and • Has eligible non-deferrable expenses between \$40,000 and \$1,500,000. • Have an active business chequing/ operating account with their financial institution on or prior to March 1, 2020, and was not in arrears on existing borrowing facilities, if applicable, with the Lender by 90 days or more as at March 1, 2020, • Has not previously used the Program and will not apply for support under the CEBA at any other financial institution, • Must acknowledge intention to continue to operate its business or to resume operations, and • Agrees to participate in post-funding survey conducted by the government or any of its agents. <p>Businesses which choose to do their banking through a personal bank account are not eligible to apply for a CEBA loan.</p> <p>If you have more than one business, each eligible business must have their own 9-digit CRA business number. Each business is limited to one CEBA loan.</p> <p>Important update (October 9th) For those businesses and not-for-profits that are eligible for the CEBA loan and that continue to be seriously impacted by the pandemic can access an additional \$20,000 loan. If the loan is repaid by December 31, 2022 then 50% of this additional \$20,000 will also be forgiven.</p> <p>The government will be providing further details on the expansion of this program in the coming weeks.</p> | <p>There are two application streams:</p> <p>1. Payroll stream:</p> <p>Applies to businesses with total employment income paid to employees in 2019 greater than \$20,000 and less than \$1,500,000.</p> <p>If your business has more than one CRA payroll program account (i.e. RP0001, RP0002), add together all 2019 T4SUM statements and compare that total against the eligible payroll range.</p> <p>2. Non-deferrable expenses stream</p> <p>For businesses with total employment income paid to employees in 2019 of \$20,000 or less and have 2020 eligible non-deferrable expenses (adjusted) greater than \$40,000 and less than \$1,500,000.</p> <p>The process of applying under both streams will include:</p> <ul style="list-style-type: none"> • Application thru your primary financial institution. • The government will assess the application and inform your financial institution of approval or decline. • Once approved, your financial institution will provide the funds into your business operating/ chequing account. <p>Applications under the non-deferrable expense stream will have an additional process to provide supporting documentation of the 2020 eligible non-deferrable expenses thru a CEBA website. Consult the document upload FAQs for more information: https://ceba-cuec.ca/faq/</p> <p>Supporting documentation will include:</p> <ul style="list-style-type: none"> • The name of the financial institution where you submitted your application, • Your 9-digit CRA business number, and • Electronic or paper copies of receipts/invoices/ agreements to be uploaded as evidence of your 2020 eligible non-deferrable expenses. | <p>CEBA program, which began April 9, 2020, provides interest-free loans of up to \$40,000 which are guaranteed and funded by the Government of Canada. The latest date to complete an application with your financial institution is December 31, 2020.</p> <p>Repayment of the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25% (up to \$10,000). If the loan is not repaid by December 31, 2022, the remaining balance will be converted to a three-year term loan (to December 31, 2025) with a five per cent interest rate.</p> <p>Eligible non-deferrable expense (subject to adjustments) categories are the following:</p> <ul style="list-style-type: none"> • Wages and other employment expenses to independent (arm's length) third parties, • Rent or lease payments for real estate used for business purposes, • Rent or lease payments for capital equipment used for business purposes, • Payments incurred for insurance related costs, • Payments incurred for property taxes, • Payments incurred for business purposes for telephone and utilities in the form of gas, oil, electricity, water and internet, • Payments for regularly scheduled debt service, • Payments incurred under agreements with independent contractors and fees required in order to maintain licenses, authorizations or permissions necessary to conduct business by the Borrower. <p>Adjustments to the above eligible non-deferrable expense categories: If you have applied for other federal relief measures programs such as CEWS, CECRA, etc., these programs will cause adjustments to the amount of the 2020 eligible non-deferrable expenses that can be reported.</p> | <p>Program excludes:</p> <ol style="list-style-type: none"> 1. A government organization or body, or an entity wholly owned by a government organization or body, 2. A non-profit organization, registered charity, union, or a fraternal benefit society or order, or an entity owned by such an organization, unless the entity is actively carrying on a business in Canada (including a related business in the case of a registered charity) that earns revenue from the regular supply of property/ goods or services, 3. An entity owned by any Federal Member of Parliament or Senator, and 4. Entities that promote violence, incite hatred or discriminate on the basis of sex, gender identity or expression, sexual orientation, colour, race, ethnic or national origin, religion, age, or mental or physical disability, contrary to applicable laws. <p>The funds from this loan shall not be used to fund any payments or expenses such as prepayment/ refinancing of existing indebtedness, payments of dividends, distributions and increases in management compensation.</p> <p>For full program information visit: https://ceba-cuec.ca/faq/ or speak to your primary financial institution.</p> |

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| EI Premium Rate Freeze | Canadian businesses and employees. | The federal government is freezing the EI premium rate for employees at the 2020 level of \$1.58 per \$100 of insurable earnings for two years. | The rate for employers, who pay 1.4 times the employee rate, will also remain unchanged at \$2.21 per \$100 of insurable earnings. | Freezing the premium rate will ensure that employees and employers do not have to pay increased EI premiums in a time of economic uncertainty and help support job creation as the economy recovers. |

For details on other federal relief measures for businesses, view our [legacy guide](#).

The preceding information is for educational purposes only and is subject to change without notice. As it is impossible to include all situations, circumstances and exceptions, a further review should be done by a qualified professional.

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