

April 02, 2020

Canada Emergency Wage Subsidy

In a press release dated April 01st, the Government of Canada announced it is taking immediate, significant and decisive action to support Canadians and businesses facing hardship as a result of the global COVID-19 outbreak.

To help Canadians and businesses get through these tough economic times, the Prime Minister, Justin Trudeau, announced that the Government **is proposing** to introduce a wage subsidy of 75 per cent for qualifying businesses, for up to 3 months, retroactive to March 15, 2020.

This measure, which is a part of the Government of Canada's [COVID-19 Economic Response Plan](#), would support businesses that are hardest hit by the COVID-19 pandemic and would help protect the jobs Canadians depend on during these difficult times.

Finance Minister Bill Morneau announced the details of the **proposed** Canada Emergency Wage Subsidy:

- The Canada Emergency Wage Subsidy would apply at a rate of 75 per cent of the first \$58,700 normally earned by employees – representing a benefit of up to \$847 per week. The program would be in place for a 12-week period, from March 15 to June 6, 2020.
- Eligible employers who suffer a drop in gross revenues of at least 30 per cent in March, April or May, when compared to the same month in 2019, would be able to access the subsidy.
- Eligible employers would include employers of all sizes and across all sectors of the economy, with the exception of public sector entities.
- For non-profit organizations and registered charities similarly affected by a loss of revenue, the government will continue to work with the sector to ensure the definition of revenue is appropriate to their circumstances. The government is also considering additional support for non-profits and charities, particularly those involved in the front line response to COVID-19. Further details will be announced in the near term.
- An eligible employer's entitlement to this wage subsidy will be based entirely on the salary or wages actually paid to employees. All employers would be expected to at least make best efforts to top up salaries to 100% of the maximum wages covered.

Additional salient points addressed in the press briefing referenced that the wage subsidy will be sent to businesses through the CRA via direct deposit. It appears that an organization will have to apply for funding each month they qualify through an online portal. The portal should be accessible in 3-6 weeks.

Once the emergency measure is passed, I will update accordingly.

Stay Well!

Anthony Folan