



Canada Emergency Wage Subsidy (CEWS)

The Canada Emergency Wage Subsidy (CEWS) is designed to support employers that are hardest hit by the pandemic. The CEWS aims to prevent further job losses and encourage rehiring previous laid off employees by providing a subsidy for employee wages between March 15 to **Aug 29, 2020**.

Eligible employers will receive a subsidy covering 75% of an employee's wages up to a maximum of \$847 per week per employee.

Please click and to be linked to website for CEWS

<https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-who-eligible-employer.html>



ELIGIBILITY

Who is an eligible employer?

- ✓ Must have had a CRA payroll account on March 15, 2020 and:
- ✓ **A)** Must have suffered a drop in gross revenue of at least 15% in March 2020 compared to March 2019

OR

- ✓ **B)** Had a 15% reduction in gross revenue for March 2020 when compared to the average gross revenue earned in January and February 2020
- ✓ To qualify for the following 2 periods, employers must experience a 30% reduction in gross revenue using option A or B

Who are eligible employees?

- ✓ Employed and reside in Canada
- ✓ Must be employed during the claim period by eligible employer
- ✓ Employees who have been laid off and rehired can become eligible for CEWS as long as they are paid retroactively for the period they have been laid off for
- ✓ If an employee did not receive any pay for a period of 14 or more consecutive days within the claim period, they are **NOT** eligible for the CEWS



ELIGIBILITY CONT.

Important Information for Employers

- ✓ Once a baseline revenue option has been chosen for their method of comparison, employers **cannot** change between option **A** (*Must have suffered a drop in gross revenue of at least 15% in March 2020 compared to March 2019*) and **B** (*Had a 15% reduction in gross revenue for March 2020 when compared to the average gross revenue earned in January and February 2020*) for their subsequent claim periods
- ✓ If an employer is eligible for the first claim period, they will automatically qualify for a subsequent period even if they do not meet the 30% reduction in gross revenue requirement
- ✓ Employees who are rehired must be paid first for the period they had been laid off for **before** they can be included in employer calculations for the subsidy



HOW TO APPLY

**Beginning April 27,
applications will be open
for the CEWS**

Please click to be linked to website for
Applying CEWS

<https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-how-apply.html>

Application Method

- ✓ Most businesses may apply using My Business Account
- ✓ If you represent a business, you may apply using Represent a Client
- ✓ Alternatively, you may apply using a separate online application form (available April 27)

CEWS Claim Period Dates

- ✓ Period 1: March 15, 2020 to April 11, 2020
- ✓ Period 2: April 12, 2020 to May 9, 2020
- ✓ Period 3: May 10, 2020 to June 6, 2020



FAQS

Q 1. How much can an employer receive through CEWS?

There is no overall limit on the subsidy amount that an eligible employer may claim.

*Eligible employers will receive either a subsidy of 75% of an employee's wage up to a maximum subsidy of \$847 per week per employee **OR** 100% of the employee's gross pay during the pay period, depending on the situation of the eligible employee such as employees who earn \$1,129.32 or less, and have experienced a reduction in pay since before the crisis.*

If an employee is non-arm's length, the average weekly gross pay from Jan 1, 2020 to Mar 15, 2020 is only applied.

Q2. What if an employee was receiving CERB while temporarily laid off?

Employees who were receiving CERB during their period of layoff must repay some or all of the amounts they received once they are rehired.



AFTER APPLYING

If an employer is found ineligible for CEWS after applying

- ✓ The employer is required to **re-pay** all amounts paid under the CEWS
- ✓ In cases of fraudulent claims, an additional penalty of **25%** of the subsidy claimed may apply, as well as possible imprisonment

Any Questions?

KCWA Family & Social Services

- Call: 416-340-1234
- Email: kcwa@kcwa.net