

IMPORTANT UPDATES

Canada Emergency Wage Subsidy: For Employers – Adjustments and Extensions

On December 29th, 2020, the Government passed into legislation regulations providing additional details regarding the Canada Emergency Wage Subsidy (“CEWS”) for periods 11-13 which run from December 20, 2020 to March 13, 2021.

The information contained in this post is current as of January 4, 2021 and includes our interpretations of publicly available information that is subject to change during this rapidly evolving pandemic. As more information becomes available from the Department of Finance and/or the Canada Revenue Agency, we will continue to provide you updates. Please contact your Ford Keast advisor if you are unsure about any items contained in these updates or if you wish to discuss how these items relate to your specific situation or if you would like assistance in completing your applications.

Changes of Note:

Eligible periods:

On November 2, 2020 new legislation was released confirming the addition of eight new periods: Periods 10 to 17. The regulations released on December 29th confirm that periods 11-13 will be as follows:

- Period 11: December 20, 2020 – January 16, 2021
- Period 12: January 17, 2021 – February 13, 2021; and
- Period 13: February 14, 2021 – March 13, 2021

Eligible periods and measuring revenue decline:

Note that for period 5 and onwards, the choice can again be made between the general approach and alternative approach and then that choice must remain consistent until the end of the program.

	Claim period	Reference period for eligibility for BASE and TOP-UP	
		<i>General Approach</i>	<i>Alternative Approach</i>
Period 11	Dec 20 – Jan 16	December 2020 over December 2019 or November 2020 over November 2019;	December 2020 or November 2020 over average of January and February 2020
Period 12	Jan 17 – Feb 13	January 2021 over January 2020 or December 2020 over December 2019;	January 2021 or December 2020 over average of January and February 2020
Period 13	Feb 14 – Mar 13	February 2021 over February 2020 or January 2021 over January 2020;	February 2021 or January 2021 over average of January and February 2020

Base Subsidy

The rate of the base CEWS will continue to vary depending on the level of revenue decline, and its application is extended to employers with a revenue decline of less than 30 per cent. This means that all eligible employers with a revenue decline will qualify for CEWS support.

The maximum base CEWS rate for periods 11-13 will be as follows:

	Maximum weekly benefit per employee	Subsidy if Revenue drop 50% and over	Subsidy if Revenue drop 0% to 49%
Period 11-13	Up to \$452	40%	0.8 x revenue drop

Top-Up Subsidy

Additional subsidy of up to 35% for eligible employers with a revenue decline exceeding 50%.

New Top-Up Calculation = 1.75 x (Revenue decline percentage used for base subsidy – 50%)

Application Deadline Reminder

The filing deadline for CEWS applications have been set to be the later of:

- 1) January 31, 2021, and
- 2) 180 days after the end of the qualifying period

Qualifying Period 14 to 17

Although legislation has been enacted for these periods, the regulations that will provide the reference periods used to measure the revenue decline, the subsidy rate and maximum CEWS benefit for each period are still outstanding. As soon as these details are released, we will provide an update.