

NEW COVID-19 SUPPORT MEASURES

The government is proposing two new programs to provide support to November 20, 2021, with additional legislation to be added to allow the extension of these programs to May 7, 2022, and possibly again to July 2, 2022.

Tourism and Hospitality Recovery Program

This support will be targeted to the tourism and hospitality industries. Although legislation has not yet been introduced for this program, eligible organizations are expected to include:

- ❖ Hotels
- ❖ Restaurants
- ❖ Bars
- ❖ Tour operators
- ❖ Convention centres
- ❖ Trade show organizers
- ❖ Festivals
- ❖ Travel agencies
- ❖ Others yet to be defined

Eligible organizations would be required to meet the following two conditions to qualify for this program:

1. An average monthly revenue reduction of at least 40 percent over the first 13 qualifying periods for the Canada Emergency Wage Subsidy (12-month revenue decline: calculated as the average of all revenue decline percentages for eligible organizations from March 2020 to February 2021); and
2. A current-month revenue loss of at least 40 percent.

Subsidy rate structure

Revenue Decline	Period 22 – 26 (October 24, 2021 – March 12, 2022)	Periods 27-28 March 13 – May 7, 2022
75% and over	75%	37.50%
>40% and <74%	revenue decline (e.g., 60% revenue decline = 60% subsidy rate)	revenue decline ÷ 2 (e.g., 60% revenue decline ÷ 2 = 30% subsidy rate)
0-39%	0%	0%

Lockdown Support would be available at the current fixed rate of 25 percent and pro-rated based on the number of days a particular location was affected by a lockdown, as under existing rules.

Support in the Event of a Public Health Lockdown

Any organizations subject to a qualifying public health restriction would be eligible for support at the subsidy rates as calculated in the Tourism and Hospitality Recovery Program, regardless of sector, if they have one or more locations subject to a public health restriction (lasting for at least seven days in the current claim period) that requires them to cease activities that accounted for at least approximately 25 percent of total revenues of the employer during the prior reference period.

Applicants would not need to demonstrate the 12-month revenue decline, only a current-month decline.

Hardest-Hit Business Recovery Program

For companies that do not qualify for the Tourism and Hospitality Recovery Program, they may be eligible for the Hardest-Hit Business Recovery Program, provided they meet the following two eligibility requirements:

1. An average monthly revenue reduction of at least 50 percent over the first 13 qualifying periods for the Canada Emergency Wage Subsidy (12-month revenue decline: calculated as the average of all revenue decline percentages for eligible organizations from March 2020 to February 2021); and
2. A current-month revenue loss of at least 50 percent.

Subsidy rate structure

Revenue Decline	Period 22 – 26 (October 24, 2021 – March 12, 2022)	Periods 27-28 March 13 – May 7, 2022
75% and over	50%	25%
>40% and <74%	10% + (revenue decline – 50%) x 1.6 (e.g., 10% + (60% revenue decline – 50%) x 1.6 = 26% subsidy rate)	5% + (revenue decline – 50%) x 0.8 (e.g., 5% + (60% revenue decline – 50%) x 0.8 = 13% subsidy rate)
0-39%	0%	0%

Sources for the information

- i. Department of Finance Canada: October 21, 2021 Backgrounder - Targeting COVID-19 Support Measures ([Click here for Source](#))