



The Canada Emergency Wage Subsidy (CEWS)

What is CEWS?

- A wage subsidy program to keep employees on payroll during COVID-19.
- CEWS pays 75% of an employee's wages (max \$847/week) for up to 12 weeks.
- There is no limit on the number of employees for which the subsidy can be requested.
- Employers are expected to make their best effort to top-up employees' salaries to pre-crisis levels.
- Eligible employers also receive a 100% refund for some employer-paid contributions (EI and CPP).
- Applications will be filed through the organizations' existing accounts on the CRA website.

Can workers collect Canada Emergency Response benefit (CERB) to make up the 25% not paid by CEWS?

- No. These are two separate programs and CERB is not intended to make up the difference in CEWS.
- Eligible employers may apply for the 10% Temporary Wage Subsidy to help make up the difference.

Eligible employers

- Private employers and not-for-profit organizations that have experienced 15% revenue drop in March 2020 or 30% revenue drop in the following months.
- Public bodies, like municipal governments or schools, are not eligible.

Calculating revenue drops

- Employers can calculate their revenues under accrual or cash method but not a combination of both.
- Non-for-profit organizations can choose to include revenue from government sources.
- Revenue drops are calculated on year-over-year basis (i.e., comparing March 2020 to 2019) or by averaging revenue in January and February 2020.
- The easiest way to think about it is three distinct but consecutive time periods:

	Claiming period	Required revenue reduction	Reference period for eligibility
Period 1	March 15 – April 11	15%	March 2020 over March 2019 or Average of January and February 2020
Period 2	April 12 – May 9	30%	Eligible for Period 1 OR April 2020 over April 2019 or Average of January and February 2020
Period 3	May 10 – June 6	30%	Eligible for Period 2 OR May 2020 over May 2019 or Average of January and February 2020

- Businesses that qualify for CEWS in one period will automatically qualify for the next period. But they will have to requalify in the third period if necessary.