

***Covid 19 Government Business Supports for you
(as of November 22, and to the best of our knowledge)***

Temporary Wage Subsidy

- The Temporary Wage Subsidy for Employers is still available to businesses; however any amount received under this program will generally reduce the amount that can be claimed under the CEWS (see below). This subsidy is equal to 10 percent of remuneration paid from March 18 to June 20, 2020, up to a maximum of \$1,375 per employee and \$25,000 per employer. This credit is claimed against your monthly source deduction remittance (income tax portion only). If you are unable to claim the subsidy on your monthly remittances you will be able to claim the unused amount at the end of the year when you file your T4s. We do recommend everyone apply for this first, then adjust your claim for the CEWS accordingly since the relief is immediate (reduction to your source deductions – income tax portion) and you may not know your eligibility for the CEWS before the source deductions are due. This way you don't miss out.

Canada Emergency Wage Subsidy (CEWS).

- The CEWS is a separate program that will apply at a rate of 75 percent of a weekly wage of \$1,128 – representing a benefit of up to \$847 per week. **This program will be in place until June 2021, and will be a ratio of reduced sales to a maximum of 65% of wages. More details will be released in the near future.** Expect up to a 3 week turnaround if you are signed up for direct deposit. Receiving the cheque in the mail will take longer.
- Eligible employers who suffer a drop in gross revenues of at least 15 percent in March, and 30% in subsequent months when compared to the same month in 2019, would be able to access the subsidy. There is also an alternate method that will consider instead of comparing to last year same month, January and February 2020 (you may use an average of the two months of your base) You will have to choose which method to use and can't change it. Your Turner Moore CPA can help you determine which is best.
- Sales will be calculated as the business normally would do. It would appear that you can choose either the accrual method or cash method for this calculation. Talk to your Turner Moore CPA to determine what is best for you.
- IMPORTANT: Sales reductions are considered to be those earned from arms-length sales and not revenue earned through management fees charged to related/associated corporations - so ensure you eliminate these from your sales calculation before proceeding with an application for this subsidy. Also, you will need to provide proof of any calculations if asked, so do it now to forgo any crisis when asked by CRA. We have tools available to assist you.
- The claim periods are 4 week periods beginning March 15.

- 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 percent of the maximum wages covered.
- Eligible employers would be able to access the CEWS by applying through the Canada Revenue Agency (CRA) my account online portal.
- The calculation of eligible wages is complicated, for simplicity sake assume raises during this period aren't allowed. If you are giving raises there is an outline on the Canada Economic Response website. There are also restrictions that must be adhered to if you are not dealing at arm's length with your employer.
- If you have an employee at home on leave for an entire week you may get a refund of CPP and EI premiums you pay (the company portion), more details are on the Canada Economic Response website.
- **Please remember, all wage subsidies are taxable income.**

If your TM office does your payroll and bookkeeping, don't worry we will take care of these claims for you. If you do your own payroll we are available to help you.

Helpful Tips

- If we aren't or won't be doing your claim for the CEWS, sign up for My Business Account with the CRA if you will be filing your own claim.
- Sign up for direct deposit, you will get your money faster. You may be asked to sign up for paperless delivery of CRA correspondence, which is a personal preference. If you don't sign up you will know any email from CRA is a scam.
- Keep your bookkeeping up to date, and if we are doing it, get it to us as quickly as possible so we can calculate your claim and get you your payments as quickly as possible. You can bring in the sales paperwork early if we are preparing your claims.
- We can help you evaluate the impact of remaining open and operating at reduced capacity versus temporarily closing business.

Fun Fact

3,000 auditors have been assigned to manually review certain claims. They will review based on the size of the claims, or the size of employers. For example, 100% of claims made by large employers are expected to be reviewed. Most will be automatically processed. Reviews are intended to be completed in 72 hours. 2,000 agents will be assigned to answer questions on the program.

Extended Work Sharing Program

This program administered by the Employment Insurance office has been around for years. If the employees agree, hours can be reduced due to developments beyond your control. Basically EI will top up wages (partially) to the employees directly while they still work. The program has been extended for 38 weeks to 76 weeks. There is an extensive application and a waiting period of 30 days, so this may not be for you.

Other Financial Assistance

Canada Emergency Business Account – a \$40,000 loan program (with a potential for a \$10,000 loan forgiveness) for small business and NFP's to help where your revenues have been temporarily reduced. Your payroll for 2019 must be in the \$20,000 to \$1,500,000 range to qualify. If your payroll is below \$20,000 you will be able to apply, but only for non-deferrable expenses (proof will be required) up to \$40,000. **The forgivable portion of the loan is taxable income.**

An expansion was recently announced to include an additional interest free \$20,000 loan 50% of which would be forgivable if repaid by December 31, 2022.

If you have no payroll, you may still apply based on your non deferrable expenses. You will be required to provide details of those non deferrable expenses. You do not have to have a business bank account to apply, but you will need to open one to receive a business loan.

You have until December 31 to apply for CEBA.

[Canada Emergency Business Account \(CEBA\) \(ceba-cuec.ca\)](https://ceba-cuec.ca)

Business Credit Availability Program

These programs are provided by the Business Development Bank of Canada and Economic Development Canada.

Within this program is a \$100,000 loan program that you can apply for on the BDC Website today (BDC.ca), but the loan terms are less favourable than the CEWS.

The BDC can also assist with other loan programs, contact us for the name of your local contact.

Regional Relief and Recovery Fund

You may be eligible for a loan under this program, you will apply through your Regional Development Agency.

Farmers

Additional money has been advanced to Farm Credit Canada to extend additional flexibility to farmers with cash flow issues.

Canadian Emergency Response benefit (ended)

This benefit is now being replaced by the following:

Canada Recovery Benefit (CRB)

The CRB provides \$500 per week for up to 26 weeks for workers who have stopped working or had their income reduced by at least 50% due to COVID 19, and who are not eligible for EI. Applications will open on October 12.

Canada Recovery Sickness Benefit (CRSB)

The CRSB provides \$500 per week for up to a maximum of two weeks, for workers who:

- . are unable to work for at least 50% of the week because they contracted COVID-19
- . are self-isolated for reasons related to COVID-19
- . have underlying conditions, are undergoing treatments or have contracted other sicknesses that, in the opinion of a medical practitioner, nurse practitioner, person in authority, government or public health authority, would make them more susceptible to COVID-19

Applications will open on October 5

Canada Recovery Caregiving Benefit (CRCB)

The CRSB provides \$500 per week for up to 26 weeks per household for workers:

- . are unable to work for at least 50% of the week because they must care for a child under the age of 12 or a family member because, schools, day-cares or care facilities are closed due to COVID-19
- . because the child or family member is sick and/or required to quarantine or is at high risk of serious health implications because of COVID-19

Applications will open on October 5

WARNING – all these government supports are taxable and you will get T slips from CRA – You may owe tax next year when normally you would get a refund depending on your circumstances.

Canada Emergency Rent Subsidy (CERS)

The CERS provides directly to the tenant a rent and mortgage subsidy of up to 65% of eligible expenses to qualifying business, charities and non-profits.

Additionally, if your qualifying organization has been significantly restricted by a mandatory public health order issued by a qualified public health authority you may receive an additional 25% of rent support through the Lockdown support.

These supports are available until June 2021.

[Canada Emergency Rent Subsidy \(CERS\) FAQ | CFIB \(cfib-fcei.ca\)](#)

Ontario:

On March 25, 2020, the Ontario government announced a five-month relief period for Ontario businesses who are unable to file or remit select provincial taxes on time, due to the special circumstances caused by the coronavirus (COVID-19) in Ontario. Beginning April 1, 2020, penalties and interest will not apply to Ontario businesses that miss any filing or remittance deadline under select provincial taxes. <https://www.fin.gov.on.ca/en/tax/>

They include but are not limited to such taxes as EHT (above) PST in insurance premiums, Fuel tax, Mining tax, race track tax, spirits tax, beer and wine tax, etc.

Employer Health Tax

For 2020, the employer health tax exemption is going up from \$490,000 to \$1,000,000. Payments are deferred to August 31 without interest or penalty.

Workplace Safety Insurance

Deferred premium reporting must be made by Oct 31, 2020.

Repayment of deferred WSIB premiums, due between March to August 2020, will not be required before January 2021. Businesses may choose to start making deferred payments prior to January 2021.

<https://www.wsib.ca/en/financialrelief>

Ontario Main Street Recovery Program

As a part of Ontario's Main Street Recovery Plan announced October 7, 2020 small business owners in retail, food and accommodations with 2 to 9 employees will be eligible for a one time grant of up to \$1,000 to help offset the unexpected costs of personal protective equipment.

There are other non-financial supports available, you may read about them at

<https://news.ontario.ca/en/release/58708/ontario-supports-small-main-street-businesses-with-60-million-in-funding-through-ppe-grant>

Property tax and Energy Cost Rebate Grants

for businesses that were required to shut down or significantly restrict services due to provincial public health measures or, going forward, in areas categorized as control or lockdown. This provincial application-based grant provides a rebate to eligible businesses in respect of property taxes and energy bills.

More detailed information is available here <https://www.app.grants.gov.on.ca/msrf/#/>

Words of caution:

There are also stiff penalties in place if you do things incorrectly.

This summary is not meant to be exhaustive, as always, more programs and the most up to date information is available at www.canada.ca/en/department-finance/economic-response-plan.html

Your TurnerMoore CPA is always available to help you sort out what you are eligible for, and the government also has a search tool at

<https://innovation.ised-isde.canada.ca/s/?language=en>