

## COVID-19: The Canada Emergency Response Benefit and the Canada Emergency Wage Subsidy

With the information changing every day, we would like to share with you what we know so far:

### **Canada Emergency Wage Subsidy (CEWS) update:**

CEWS would provide a 75% emergency wage subsidy to eligible employers for up to 12 weeks, retroactive to March 15, 2020.

Eligible employers include: sole-proprietors, corporations, partnerships, non-profit organizations and registered charities.

Businesses will have to prove 30% drop in revenue by comparing March, April, May monthly revenues in 2020 to the same months in 2019. It appears to be month to month qualification criteria (March 2020 to March 2019...). Revenue drop criteria will have to be met every month. Government is working on a test for businesses that don't have the history (i.e.. start ups). Employers will have to apply once a month.

The amount of subsidy will be 75% of remuneration paid to a maximum of \$847 per week per employee.

The 75% emergency wage subsidy and the 10% temporary wage subsidy (announced on March 18, 2020) are two separate programs. Any benefits received under the 10% temporary wage subsidy program would reduce the amount available to be claimed under the 75% emergency wage subsidy program in that same period.

CRA portal to apply for both of these subsidies will be ready to go in 3 to 6 weeks. We encouraged you to sign up for CRA My Business Account and also their direct deposit with CRA, if you haven't already.

### **More time to pay income taxes**

CRA are allowing all businesses to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after March 18 and before September 2020. This relief would apply to tax balances due, as well as instalments, under Part I of the *Income Tax Act*.

No interest or penalties will accumulate on these amounts during this period.

### **Deferral of Sales Tax Remittance and Customs Duty Payments until June**

CRA are allowing businesses, including self-employed individuals, to defer until June 30, 2020 payments of the GST/HST, as well as customs duty owing on their imports.

Any GST/HST payment that becomes owing from March 27 until the end of May can be deferred until the end of June. For GST and customs duty payments for imported goods, deferral will include amounts owing for March, April and May.

These amounts were normally due to be submitted to the Canada Revenue Agency and the Canada Border Services Agency as early as the end of March 2020.

### **Canada Emergency Business Account**

The new Canada Emergency Business Account will provide interest-free loans of up to \$40,000 to small businesses and not-for-profits, to help cover their operating costs during a period where their revenues have been temporarily reduced.

To qualify, these organizations will need to demonstrate they paid between \$50,000 to \$1 million in total payroll in 2019.

This program will roll out in **mid-April**, and interested businesses **should work with their current financial institutions**.

### **Canada Emergency Response Benefit (CERB)**

CRA will provide a taxable benefit of \$2,000 a month for up to 4 months to eligible workers who have lost their income due to COVID-19.

There are **two ways to apply**:

1. Online
2. Over the phone with an automated phone service:  
1-800-959-2019 or 1-800-959-2041

Both of these services are available 21 hours a day, 7 days a week. Both services are closed from 3:00 a.m. to 6:00 a.m. (Eastern time) for maintenance.

### **What is the Canada Emergency Response Benefit**

If you have stopped working because of COVID-19, the Canada Emergency Response Benefit (CERB) may provide you with temporary income support. The CERB provides \$500 a week for up to 16 weeks.

### **Who is eligible**

The benefit will be available to workers:

- Residing in Canada, who are at least 15 years old;
- Who have stopped working because of COVID-19 and have not voluntarily quit their job or are eligible for EI regular or sickness benefits;
- Who had income of at least \$5,000 in 2019 or in the 12 months prior to the date of their application; and
- Who are or expect to be without employment or self-employment income for at least 14 consecutive days in the initial four-week period. For subsequent benefit periods, they expect to have no employment or self-employment income.

### **Apply for Employment Insurance**

If you have stopped working because of COVID-19, you should apply for the Canada Emergency Response Benefit, whether or not are eligible for Employment Insurance. The Benefit is available for the period from March 15, 2020 to October 3, 2020.

If you applied for EI regular or sickness benefits on March 15, 2020 or later, your claim will be automatically processed through the Canada Emergency Response Benefit.

Starting now, there will be a single portal to assist you with the application process.

### **Increasing the Canada Child Benefit**

CRA are providing up to an extra \$300 per child through the Canada Child Benefit (CCB) for 2019-20. This will mean approximately \$550 more for the average family.

This benefit will be delivered as part of the scheduled CCB payment in May.

**Those who already receive the CCB do not need to re-apply.**

### **Special Goods and Services Tax credit payment**

CRA are providing a one-time special payment starting April 9 through the Goods and Services Tax credit for low- and modest-income families.



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The average additional benefit will be close to \$400 for single individuals and close to \$600 for couples.

**There is no need to apply for this payment. If you are eligible, you will get it automatically.**

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