COVID-19: Federal Government Announces New Wage Subsidy For Small And Medium Employers



The government of Canada has announced today that it will now offer a wage subsidy of up to 75% for qualifying small and medium-sized businesses, backdated to March 15, 2020. This is a substantial increase from the 10% federal wage subsidy for small businesses introduced last week. Prime Minister Trudeau further advised that the government will create a new Canada Emergency Business Account to provide loans of up to $40,000 to small and medium-sized businesses. The loan will be interest-free for the first year, and the first $10,000 will be forgivable for businesses that meet certain conditions.

This is a huge step forward in protecting jobs in our communities and is sure to be welcome news for many employers in these uncertain times! If you are a small or medium-sized employer, it is important to consider the impact of this possible wage subsidy before finalizing any decisions about the necessity of temporary layoffs.

For clarity, this wage subsidy is separate from the Canada Emergency Response Benefit announced earlier this week, or the availability of Supplemental Unemployment Benefit plans that employers may be contemplating.

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