

# The Canada Emergency Wage Subsidy (CEWS) – Details for Employers



As requested, we are providing details below for employers concerning the new Canada Emergency Wage Subsidy (CEWS). More information is available [here](#).

Individuals, taxable corporations, partnerships consisting of eligible employers, non-profit organizations and registered charities that have seen a drop of at least **30 percent of their revenue** due to COVID-19 (defined as the change in monthly gross revenue, year-over-year, for the calendar month in which the period began) are eligible for a wage subsidy of up to **75%** of the total remuneration paid to their employee(s) for a period of up to **twelve (12) weeks**, retroactive to March 15, 2020 and up to June 6, 2020.

This subsidy is capped at a maximum of \$847/week/employee.

The program includes salaries and wages paid to **new employees**.

There may be some flexibility on revenue comparisons to address the needs of companies that weren't around in March 2019, like startups. The federal government has not yet provided detail on this.

There is **no overall limit** on the subsidy amount that an eligible employer may claim.

In applying for the subsidy, employers will be required to attest to their decline in revenue. The government has stated that employers must make their best effort to top-up employees' salaries to bring them to pre-crisis levels. Employers would have to keep records demonstrating their reductions in revenues and remuneration they paid to employees. New penalties are forthcoming to penalize any abuse of the program.

Eligible employers would be able to apply for CEWS soon through the **Canada Revenue Agency's My Business Account portal**, as well as a web-based application. Employers will be expected to apply separately each month. More details about the application process will be made available shortly.

All businesses should register for direct deposit to ensure money can be sent electronically to avoid delay.

**Small businesses** can still claim the previously announced **10 percent wage subsidy** even if they haven't seen a drop in revenue (and are therefore not eligible for the larger CEWS subsidy). The maximum subsidy for that program is \$1,375 per employee and \$25,000 per employer.

Employers who are not eligible for the Canada Emergency Wage Subsidy may consider layoffs. For more information on temporary layoffs see Pink Larkin's fact sheet #3. Laid-off employees may be eligible to access the Canadian Emergency Response Benefit. For more information on the eligibility requirements for the CERB, see here. NB: An employer cannot claim the Canada Emergency Wage Subsidy for remuneration paid to an employee in a week that falls within a 4-week period for which the employee is eligible for the Canadian Emergency Response Benefit.

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By Laura Rhodes

The details of the subsidy programs are still developing and information from the federal government is still forthcoming.

Pink Larkin is committed to providing tailored legal advice as you need it. We are always standing by to help you successfully navigate any business dispute that arises during these challenging times.

COVID-19 is an ongoing and developing situation. We recommend you stay alert to new developments and government measures.

***For further information, contact us at (902) 423-7777, toll-free at 1-800-565-4529, or [shiggins@pinklarkin.com](mailto:shiggins@pinklarkin.com).***

\* This information is not legal advice. The answers to these questions will vary, depending on the circumstances of each case. Consult legal counsel for information and advice relevant to your individual circumstances.