



Canada Emergency Wage Subsidy (CEWS)

QUESTIONS AND ANSWERS

What is the Canada Emergency Wage Subsidy (CEWS)?

The [CEWS](#) provides a 75 per cent wage subsidy to eligible employers for up to 12 weeks, retroactive to March 15, 2020, and ending June 6, 2020.

What employers are eligible for the CEWS?

Eligible employers include individuals, taxable corporations, people that are exempt from corporate tax, registered charities, and partners of eligible employers.

This subsidy is available to eligible employers that have a revenue reduction during one of the eligible periods outlined below in *Eligibility Periods*.

What is eligible revenue and how is it calculated?

For the purpose of the subsidy, an employer's eligible revenue is the revenue from business carried on in Canada that is earned from selling goods, rendering services, and others' use of the employer's resources.

Revenue is calculated using the employer's normal accounting method and excludes revenues from extraordinary items (i.e. events and transactions that are both unusual and infrequent for the business) and amounts of capital.

What is an eligible revenue reduction?

The employer must determine if their reduced revenue is eligible for the CEWS in a particular eligibility period. Eligibility is determined by the change in the eligible employer's monthly baseline revenue in the corresponding month in 2019, or, the average of the revenues in January and February, 2020.

You must choose one of these baseline revenue options for your method of comparison and will not be able to change if for calculations in following eligibility periods.

If you determine that you qualify for the CEWS for one claim period, you will automatically qualify for the following claim period.

The table below outlines each claim period, the baseline and eligibility period revenues, and the specified minimum reduction in revenue for the employer.

ELIGIBILITY PERIODS

Period Dates	Baseline Revenue	Eligibility Period Revenue	Required Reduction
March 15, 2020, to April 11, 2020	<ul style="list-style-type: none"> March 2019, or average of January and February 2020 	March 2020	15%
April 12, 2020, to May 9, 2020	<ul style="list-style-type: none"> April 2019, or average of January and February 2020 	April 2020	30%
May 10, 2020, to June 6, 2020	<ul style="list-style-type: none"> May 2019, or average of January and February 2020 	May 2020	30%

Which employees are eligible for the subsidy?

An eligible employee is an individual employed in Canada by an eligible employer during the claim period, except if there was a period of 14 or more consecutive days in that period where they did not receive any pay by the employer.

What is eligible remuneration?

Eligible remuneration includes amounts you paid an employee as salary, wages and other taxable benefits, fees, and commissions. These are amounts employers would be required to make payroll deductions on to be remitted to the Canada Revenue Agency (CRA).

The employer must determine an employee's baseline remuneration to calculate the wage subsidy. The baseline remuneration is the average weekly eligible remuneration paid to an employee during the period of January 1, 2020, to March 15, 2020. Any period of seven or more consecutive days for which the employee was not paid can be excluded from the calculation.

What is the subsidy amount?

The amount for a given employee on eligible salary or wages paid between March 15 and June 6, 2020, would be the greater of:

- 75 per cent of the amount of salary or wages paid, up to a maximum benefit of \$847 per week

OR

- The amount of salary or wages paid, up to a maximum benefit of \$847 per week or 75 per cent of the employee's pre-crisis weekly salary or wage, whichever is less.

You can also [calculate your total wage subsidy](#) before applying for the CEWS.

How do I apply for the subsidy?

Eligible employers can apply for the Canada Emergency Wage Subsidy through the [Canada Revenue Agency's My Business Account portal](#), as well as through a secondary web-based application.

Further details on how to apply for the CEWS can be found in the [application guide](#).

ADDITIONAL INFORMATION

Ensuring compliance

To ensure compliancy, employers who do not meet the eligibility requirements must repay amounts paid under the CEWS and must also pay their employees accordingly.

Penalties, including fines or imprisonment, may apply in cases of abuse and fraudulent claims. If you artificially reduce your revenue for the purpose of claiming the wage subsidy you will be required to repay any subsidy amounts you received plus a penalty equal to 25 per cent of the total value.

Interaction with the Canadian Emergency Response Benefit (CERB)

An employer cannot claim the CEWS for the wage or salary paid to an employee who is eligible for the CERB in one of the four-week CERB eligibility periods.

Employers who are not eligible for the CEWS can still temporarily lay off employees who will receive up to \$2,000 a month.

Depending on the specific situation, employees who may have received or continue to receive the CERB may be required to repay some or all of the amounts they received.

Other Government Assistance

The usual treatment of tax credits and other benefits provided by the government still applies. The wage subsidy received by an employer is considered government assistance and will be included in the employer's taxable income.

Assistance received under either wage subsidy reduces the amount of wage or salary expenses eligible for other federal tax credits calculated on the same wages or salaries.

Contact

To get more information about CEWS, please call the Government of Canada's dedicated phone number at 1-833-966-2099.