

## CANADA EMERGENCY WAGE SUBSIDY (CEWS) – CALCULATOR AND PORTAL UPDATE

On Tuesday, Prime Minister Trudeau announced that organizations will be able to apply online starting Monday April 27<sup>th</sup> for the **Canada Emergency Wage Subsidy (CEWS)**. The main page for the program can be found at the following link: <https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy.html>

A few items to note ahead of the application date:

1. **Eligibility** – can be found at the following link:
  - <https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-who-eligible-employer.html>
2. **Eligible Employees**
  - <https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-determine-eligible-employees.html>
  - Please note that the eligibility in a period may be compromised if there was a period of 14 or more consecutive days in that period where they did not receive eligible pay by you.
  - Retroactive hiring – If you have laid off an employee, you can hire them back retroactively and pay them retroactively. This will qualify for the subsidy. Please note you must pay the employees for the amounts to be included in the subsidy.
  - Non-arm's length employees – non-arm's length employees must have been on payroll during the period of January 1 – March 15<sup>th</sup> to qualify for the subsidy.
  - If the employee received CERB during the same period the employer is using CEWS, the employee maybe required to repay the CERB at a future date.
3. **Calculating the Subsidy**
  - <https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-calculate-subsidy-amount.html>
  - **You will be asked to enter the number of eligible employees and the gross payroll.**
  - **An excel spreadsheet is available to compute the subsidy – refer to the blue button in section 2.b. “Calculate the values using the spreadsheet” using the link above**
  - Information you will need:

- Pre-crisis wages – this is the average weekly (or bi-weekly gross pay) from January 1 – March 15, 2020.
- You can calculate the subsidy using one of two tabs:
  - Weekly (52) – use this tab for weekly pay or other pay periods such as bi-monthly, monthly
  - Bi-Weekly (every 2 weeks) – use this tab for bi-weekly

#### How to use the spreadsheet:

- **Line 3** – you can enter the # of employees and the gross payroll for these employees that will qualify for the maximum. If their gross weekly payroll is greater than \$1,129, you can group these employees in one batch
- **Line 4** – If the employees qualify for 75% of their gross payroll as their gross weekly payroll is less than \$1,129, you can enter these employees in a batch. This would be the case if the pre-crisis wages are the same as the wages in the subsidy period. If the wages in the subsidy period are lower, use the detailed calculation starting on line 8.
- **Line 8 and below** – use this area for all other employees. That would include employees whose pre-crisis wages are greater than the subsidy period. This would also include non-arm’s length employees. In column G, you would note YES if they are non-arm’s length and NO if they are not at arm’s length. **If you have a small number of employees, you can enter all employees starting on line 8 and below. You do not need to use line 3 or 4.**
- Once you have completed the Weekly tab or the Bi-weekly tab, the totals will summarize on the tab “Instruction and results”.
- Return to the CEWS website at
  - <https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-calculate-subsidy-amount.html>
  - Follow the instructions on the website and enter the data from the spreadsheet.
  - Only use section 3 – premiums and contributions – if you have furloughed an employee (they are staying home with pay).
  - Step 4 – if you previously claimed the 10% temporary wage subsidy, enter this amount here.
  - Step 5 – calculate the subsidy. Print this page and have it ready for the application process.

#### 4. How to Apply

- <https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-how-apply.html>
- **Applications can be made using My Business Account on Monday April 27<sup>th</sup>, 2020.** We have previously provided instructions on how to register. <http://hvgp.ca/wp-content/uploads/2020/04/CRA-My-Account-registration-instructions.pdf>
- **Make sure your business details and direct deposit information for your payroll accounts (RP) are up to date. This will ensure that any payments to you will be processed quickly and easily.**

[Sign in to My Business Account](#)

### HOW IS THE CANADA EMERGENCY WAGE SUBSIDY (CEWS) CALCULATED?

Use our calculator to estimate the amount of your wage subsidy at [canada.ca/coronavirus](http://canada.ca/coronavirus).

- 1. SELECT YOUR CLAIM PERIOD**
  - ▶ March 15 to April 11, 2020
  - ▶ April 12 to May 9, 2020
  - ▶ May 10 to June 6, 2020
- 2. DETERMINE YOUR GROSS PAYROLL FOR ELIGIBLE EMPLOYEES**

The CEWS provides a wage subsidy of up to 75% (that's up to \$847 per employee per week). The amount that you can claim for eligible employees depends on whether they:

  - ▶ Earned \$1,129.33 or more per week
  - ▶ Earned \$1,129.32 or less per week and **HAVE** had their pay reduced since the crisis
  - ▶ Are arm's length or non-arm's length
- 3. CLAIM A REFUND FOR CERTAIN PREMIUMS AND CONTRIBUTIONS**

You can claim a 100% refund for the employer-paid part of contributions made on behalf of eligible **furloughed employees** (on leave with partial or full pay) for any full week in the claim period. This includes:

  - ▶ Employment Insurance (EI)
  - ▶ the Canada Pension Plan (CPP)
  - ▶ the Quebec Pension Plan (QPP), and
  - ▶ the Quebec Parental Insurance Plan (QPIP)
- 4. ENTER DEDUCTIONS**

The amount you can claim for the CEWS will be reduced by:

  - ▶ Amount that you are eligible to claim under the 10% Temporary Wage Subsidy for Employers (for the claim period)
  - ▶ Total amount that your eligible employees have received under ESDC's Work Sharing Benefit program
- 5. GET RESULTS**

Fill out the CEWS online calculator to determine the subsidy you can expect to claim and print your results using the printable statement feature.

Starting April 27, apply through CRA's My Business Account, Represent a Client, or our online portal. Go to [canada.ca/coronavirus](http://canada.ca/coronavirus)