

January 10, 2022 – Updates on Government Relief Initiatives

Introduction of new benefit programs:

On December 17, 2021, Bill C-2 was passed to offer targeted support for businesses deeply affected by the pandemic. It enacts new subsidies and extends the Canada Recovery Hiring Program (CRHP), Canada Recovery Caregiving Benefit (CRCB) and the Canada Recovery Sickness Benefit (CRSB) to May 7, 2022.

Following changes to pandemic support from the Federal government, the Ontario government has also introduced additional support by lowering business costs and implementing a new Ontario COVID-19 Small Business Relief Grant.

Hardest-Hit Business Recovery Program (HHBRP):

Many of the rules are the same as the outgoing wage and rent subsidy programs (respectively, CEWS and CERS), the new program provides support for wages and rent except it requires a greater revenue decline:

- **Eligible entities:** Individuals, taxable corporations and trusts, non-profit organizations and registered charities. For the wage subsidy, an eligible entity must have had a payroll account on March 15, 2020. For the rent subsidy, you must have had a business number (BN) as of September 27, 2020.
- **Duration:** October 24, 2021 to May 7, 2022
- **Qualifying periods:** The first claim period under HHBRP begins immediately after CEWS period 21, therefore claim period 22 covers October 24, 2021 to November 20, 2021.
- **Revenue tests:** You must have a decline of at least 50% for each of the two revenue tests:
 - 1) **12-month average decline test:** This is the average decline of your revenue from March 2020 to February 2021 compared to the corresponding month in 2019/2020 or the average of January and February 2020, if applicable (i.e., CEWS periods 1 to 13). To put simply, add up the revenue declines for the twelve months, divide by twelve and that is the average revenue decline.
 - a. You must include all the months during this period, including the months where revenue had increased.
 - b. You must use the actual revenue drop for each month, without the deeming rule. The deeming rule is the rule that let you use the greater revenue drop between the current period and prior claim period's decline.
 - c. You must exclude months where you were not operating unless it was due to a public health restriction.
 - d. When looking at each month's decline, you must use the same revenue comparison method you had previously used for the CEWS claims.

e. The Government's online calculator for the 12-month average can be found here:
<https://www.canada.ca/en/revenue-agency/services/wage-rent-subsidies/determine-revenue-drop/calculate-12-month-revenue-drop.html>

2) Current period revenue decline test is calculated the same way as CEWS and/or CERS.

- **Application:** Same as CEWS and CERS, apply via CRA My Business Account.
- **Rent subsidy:**
 - Properties and expenses that qualify are the same as CERS.
 - Lockdown support top-up rate will continue to be available for those affected by public health restrictions. This is prorated by the number of days during the claim period you were affected. A maximum of 25% top-up is available.
 - Capped at \$75,000 of expenses per location (same as the outgoing CERS) except the total cap for all locations combined is now \$1,000,000 instead of \$300,000.
- **Subsidy rate is the same for wages and property expenses claimed:** This is calculated based on the revenue decline as follows:

Claim period	Claim period revenue drop	Subsidy rate
22 to 26	75% and over	50%
	50 to 74.99%	10% + (revenue drop - 50%) × 1.6 Example: 10% + (60% revenue drop - 50%) × 1.6 = 26% subsidy rate
	less than 50%	0%
27 and 28	75% and over	25%
	50 to 74.99%	5% + (revenue drop - 50%) × 0.8 Example: 5% + (60% revenue drop - 50%) × 0.8 = 13% subsidy rate
	less than 50%	0%

- **Due date:** Claim is due on or before 180 days after the end of the qualifying period.

Tourism and Hospitality Recovery Program (THRP):

- **Eligible entities:** Same as HHBRP above.
- **Duration:** Same as HHBRP above.
- **Qualifying periods:** Same as HHBRP above.
- **Revenue tests:** You must have a decline of at least 40% for each of the two revenue decline tests, see 12-month average decline test and current period decline tests for HHBRP above.

- Also, more than 50% of your revenue must come from tourism, hospitality, arts, entertainment, or recreation activities. The list of eligible activities can be found here: <https://www.canada.ca/en/revenue-agency/services/wage-rent-subsidies/tourism-hospitality-recovery-program/trhp-activities-qualify.html>
- **Application:** Via CRA My Business Account. You may use the same calculation spreadsheet as HHBRP, by selecting the appropriate responses in the government's spreadsheet.
- **Subsidy rate is the same for wages and property expenses claimed:** This is calculated based on the revenue decline as follows:

Claim period	Claim period revenue drop	
	Claim period revenue drop	Subsidy rate
22 to 26	75% and over	75%
	40 to 74.99%	same as claim period revenue drop Example: 60% revenue drop = 60% subsidy rate
	less than 40%	0%
27 and 28	75% and over	37.5%
	40 to 74.99%	claim period revenue drop ÷ 2 Example: 60% revenue drop ÷ 2 = 30% subsidy rate
	less than 40%	0%

- **Due date:** Applications must be made on or before 180 days after the end of the qualifying period (same as HHBRP).

Local Lockdown Program (LLP) – another method of qualifying for THRP:

If you do not meet the sectors listed for the THRP above, you may still qualify for THRP if you were affected by a qualifying public health restriction and you met the 40% revenue decline tests described above for the THRP.

- Apply via CRA My Business Account, see THRP above. You may use the same spreadsheet as the THRP and HHBRP by selecting the appropriate response in the spreadsheet.
- At least 25% of your revenue for the prior reference period were derived from the restricted activities
- Qualifying public health restriction:
 - Requires you to stop some or all regular activities at the qualifying property for at least seven days in a row;
 - an order issued by a federal, provincial, or municipal government, or a local health authority in response to the pandemic;
 - limited in scope based on geographic, type of activity, or risks associated with a particular location;
 - results in sanctions or an offence with non-compliance;

Canada Recovery Hiring Program (CRHP):

- The program has been extended to May 7, 2022.
- Bill C-2 increased the maximum CRHP subsidy rate to 50% of eligible wage increases, for claim periods 22 and onwards.
- If you qualified for both CRHP and the other wage subsidy programs above, you must only claim one of these (i.e.. pick the highest amount).

Canada Recovery Caregiving Benefit (CRCB) and Canada Recovery Sickness Benefit (CRSB):

These have been extended to May 7, 2022, and the government increased the maximum duration of these benefits by 2 weeks (from 42 to 44 weeks for CRCB, and from 4 to 6 weeks for CRSB).

Canada Worker Lockdown Benefit (CWLB): Provides temporary income support to employed and self-employed people who cannot work due to a COVID-19 lockdown.

- **Amount:** \$300 a week (\$270 after taxes withheld)
- **Duration:** Between October 24, 2021 and May 7, 2022
- **Eligibility:**
 - Eligible workers who are unable to work due to a COVID-19-related public health lockdown in their region, lasting 14 days or more.
 - Worker must be at least 15 years old.
 - You had not received benefits for the same period under EI, CRSB, CRCB, QPIP, or short-term disability benefits.
 - You had earned at least \$5,000 of eligible income in 2020, 2021, or in the 12-months period before the date you apply.
- **Application:** Apply on CRA My Account

Ontario COVID-19 Small Business Relief Grant:

This is not the same program as the Ontario Small Business Support Grant, however those who qualified for the small business support grant will be pre-screened for this new program and will not need to apply.

- **Amount:** \$10,000
- **Eligibility:**
 - Fewer than 100 employees
 - Be required to close due to public health orders that took effect 12:01 a.m. on January 5, 2022
 - Eligible small businesses include:
 - restaurants and bars;
 - facilities for indoor sports and recreational fitness activities;
 - performing arts venues and cinemas, museums, galleries, aquariums, zoos, science centres, landmarks, historic sites, botanical gardens and similar attractions;
 - meeting or event spaces;
 - tour and guide services; and
 - conference and convention centres.
- **Application:** Online applications will be open in the coming weeks.

Ontario Business Costs Rebate Program:

- **Amount:** Full rebate of property tax and energy costs if you were required to close. 50% rebate if you were required to reduce capacity to 50%.
- **Eligibility:**
 - Businesses that are required to close or reduce capacity.
 - A full list of eligible business types will be available in mid-January 2022.
- **Application:** Online applications open on January 18, with retroactive payments to December 19, 2021. Businesses will be required to submit property tax and energy bills.

Interest free period for taxes administered by the Ontario government:

A six-month interest-free period will begin on January 1, 2022 and end on July 1, 2022, and you do not have to be closed or be subjected to capacity restrictions.

For examples of provincially administered taxes, please visit:

<https://www.ontario.ca/page/businesses-get-help-covid-19-costs>