
Canadian Emergency Wage Subsidy (CEWS)

The Government of Canada has recently announced changes to the wage subsidy option to assist producers who are feeling the effects of poor market prices when paying employee wages, including:

1. Extending the program to November 21, 2020.
2. Making the subsidy accessible to a broader range of employers by including employers with a revenue decline of less than 30%, and providing a gradually decreasing base subsidy to all qualifying employers. This would help many struggling employers with less than a 30% revenue loss get support to retain and rehire workers, while also ensuring those who have previously benefited could still qualify, even if their revenues recover and no longer meet the 30% revenue decline threshold.
3. Introducing a top-up subsidy of up to an additional 25% for employers that have been most adversely affected by the pandemic. This is particularly helpful to employers in sectors that are recovering more slowly.
4. Providing certainty to employers that have already made business decisions for July and August by ensuring they would not receive a subsidy rate lower than they would have under the previous rules.

ELIGIBILITY

The maximum eligible amount is \$847 per week per employee. The wage subsidy is available to eligible producers who have either:

1. Had their revenue from the corresponding month in 2019 reduced (i.e. compare March 2019 with March 2020); or
2. Had a reduction in revenue compared to the average of January & February of 2020 (i.e. March 2020 compared to the average of Jan/Feb 2020).

NOTE: Producers must choose either a) or b). In other words, you can't use a) for the first month then switch to b); if you choose a), then you must use a) for all periods for which you are applying.

EXAMPLE

The following example is based on hypothetical calculations, for the claim period of March 15 to April 11, 2020. For your actual situation, click here for [the Government of Canada's CEWS calculator](#).

Line A	Number of eligible employees	5
Line B	Total eligible remuneration paid <ul style="list-style-type: none">Based on 5 employees - \$16.00 an hour for 40 hours a week times 4 weeks; this can include benefits and bonuses	\$12,800.00
Line C	Basic CEWS <ul style="list-style-type: none">75% of \$12,800 = total eligible remuneration paid	\$9,600.00
Line D	Employer's EI and QPIP premiums payable on salary paid to furloughed employees for the claim period <ul style="list-style-type: none">This is only applicable to employees who are laid off during this period	\$0.00
Line E	Employer's CPP and QPP contributions payable on salary paid to furloughed employees for the claim period <ul style="list-style-type: none">This is only applicable to employees who are laid off during this period	\$0.00
Line F	Amount claimed under the 10% Temporary Wage Subsidy for Employers for the claim period <ul style="list-style-type: none">This is another program where you can reduce the amount of tax you are required to submit for income tax that you deducted from employees; you DO NOT have to claim this amount	\$1,280.00
Line G	Amount received by eligible employees under ESDC's Work-Sharing benefit program for the claim period	\$0.00
Line H	The total amount to claim for the CEWS for this period (this amount is subject to verification)	\$8,320.00

Again, click here for [the Government of Canada's CEWS calculator](#) for full details, and remember that rates will change based on individual producer requirements and circumstances.

The Government of Canada has other subsidies available to help producers during the pandemic. [Click here for information on programs in Canada's COVID-19 Economic Response Plan.](#)

Do not hesitate to call or email me for clarification on the CEWS program, or for any other human resources or training concerns.

Sincerely,

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