

I'm sure that you are being inundated with information from many sources about COVID and the various programs that are being instituted on almost a daily basis. I know some of you will already be aware of the CEWS and CEBA programs but some of you may not be.

Over the Easter weekend Canada's Parliament passed legislation related to the Federal Emergency Wage Subsidy ("CEWS") program. Program details can be found here:

<https://www.canada.ca/en/department-finance/economic-response-plan/wage-subsidy.html>

Program highlights:

- Eligible employers include non-profit organizations and registered charities that have seen a drop of at least 15% in their March revenues (down from 30% in previously announced versions of the 75% subsidy program) and 30% in following months.
- For non-profits and registered charities, the calculation includes "most forms of revenue" but excludes revenue from non-arm's length persons.
- A non-profit or charity **can choose to include revenue from government sources or not** but you must be consistent in your approach throughout the program period.
- Subsidy applies to remuneration paid between March 15 and June 6 and is the greater of:
  - o 75% of remuneration paid up to a maximum of \$874/week; or
  - o the amount of remuneration paid, up to a maximum benefit of \$847 per week or 75% of the employee's pre-crisis weekly remuneration, whichever is less.
- "Eligible remuneration" includes salary, wages, and other remuneration like taxable benefits.
- For employers that are eligible for both the CEWS and the 10% wage subsidy for a period, any benefit from the 10% wage subsidy for remuneration paid in a specific period generally reduces the amount available to be claimed under the CEWS in that same period.
- Payments will be made via cheque or direct deposit.

These are program highlights only – **please take the time to read the details in the link above to see how the program might apply to your club/facility.**

#### Applying for CEWS

Applications for the CEWS program must be made by you through the Canada Revenue Agency's "My Business Account" portal.

**More details about the application process will be made available shortly by the government and we will update you when more information is available.**

#### The Canada Emergency Benefit Account ("CEBA")

The CEBA is another part of the government's COVID response that provides much needed credit for small businesses to pay for immediate operating costs such as payroll, rent, utilities, insurance, property tax, or debt service. It is 100% funded by the Government of Canada.

- It is available to Canadian employers with \$50,000 to \$1 million in total payroll in 2019, and operating as of March 1, 2020. This includes smaller (i.e., micro) businesses and other eligible employers such as not-for-profits.
- Under CEBA, financial institutions will be able to provide interest-free credit facilities of up to \$40,000 to eligible businesses.
- If the loan is repaid by December 31, 2022, 25% (up to \$10,000) will be forgiven.
- If the loan is not repaid by December 31, 2022, the remaining balance will be converted to a three-year term loan at 5% interest.

**This program is now available at various financial institutions and credit unions.**

If you are applying for a CEBA facility:

Most financial institutions are requesting that employers provide their T4 summaries from 2019.

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