



A REFERENCE FOR EYE CARE PROFESSIONALS:  
**FEDERAL GOVERNMENT RESPONSE TO COVID-19**

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## **CANADIAN EMERGENCY WAGE SUBSIDY (CEWS)...A \$73-BILLION WAGE SUBSIDY OFFERED BY THE FEDERAL GOVERNMENT TO QUALIFYING EMPLOYERS.**

### **Mission Statement:**

Provide 75% wage subsidy to eligible employers for up to 12 weeks retroactive to March 15<sup>th</sup> 2020 & June 6, 2020. Please note by virtue of the Federal legislation establishing CEWS, the program may be extended to remuneration paid up to September 30<sup>th</sup>, 2020.

### **Objectives of CEWS:**

- A) Prevent job losses as a result of the Covid-19 virus
- B) Allow employers to retain employees on payroll during the COVID-19 crisis and in doing so, reduce employees' reliance on Employment Insurance, (EI)
- B) Encourages employers to re-hire workers previously laid off as a result of COVID-19
- C) Better position Canadian companies and other employers to more easily resume normal operations following the crisis.

### **Eligible Employers:**

- Individuals
- Taxable corporations
- Partnerships consisting of eligible employers, non-profit organizations and registered charities. Those that see a drop of at least 15% of their revenue in March 2020 and 30% for the following months; (April & May). Eligible employers may use one of two benchmarks for the revenue test.
  - A) The same months in 2019
  - B) An average of their revenue in January & February of 2020.

### **Key Qualification Criterion for Employee:**

- An eligible employee is defined as an individual who, during the specified claiming period, was employed in Canada by an eligible employer and was not without pay for more than 14 consecutive days.

### **Subsidy Calculation per Employee:**

- For any pay period between March 15<sup>th</sup> & June 6<sup>th</sup>, 2020, the least of either 75% of the employee's baseline remuneration or \$847 per week.

### **Limitations of CEWS:**

- Employers who meet the revenue test for the CEWS can also claim the TWS, (10 percent Temporary Wage Subsidy) however any benefit from the TWS would generally reduce the amount available to be claimed under CEWS.



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- Employees receiving EI benefits through the Work-Sharing program, (CWSP) will reduce the benefit that their employer is entitled to receive under CEWS.
- The CEWS is not available for employees receiving the CERB during the same eligibility period.

## **CANADIAN EMERGENCY RESPONSE BENEFIT (CERB)...A TAXABLE BENEFIT OFFERED TO ALL ELIGIBLE CANADIANS EVERY FOUR WEEKS FOR UP TO FOUR MONTHS.**

### **Mission Statement:**

A taxable benefit providing \$2,000 per month for up to four months for eligible workers who have lost their income as a result of COVID-19 due to job loss, illness, quarantine, caring for others, (including children) and work disruption.

### **Eligibility Requirements:**

- Will permit workers to earn up to \$1,000 per month while collecting CERB.
- Seasonal workers who have exhausted their EI regular benefits and are unable to undertake their usual seasonal work as a result of the pandemic.
- Workers who recently exhausted their EI regular benefits and are unable to find work or return to their job as a result of COVID-19.

### **CERB & EI Connectivity:**

- Please note workers who applied for EI on or after March 15 will receive their benefits to the extent that EI payments will mirror CERB payments. In essence, Canadians receiving EI benefits below the \$2,000 per month threshold will now receive the maximum payment. Those who would normally qualify for more than \$500/week in EI benefits will receive the \$2000 CERB payment.
- EI eligible workers will remain qualified for their normal benefits regardless whether they are lower or higher than \$2,000 per month subsequent to the four-month CERB program period.

### **Limitations of CERB:**

- As referenced in the CEWS section, employees that are receiving the CERB are not eligible to receive CEWS in the same period. It is one or the other in a given period.
- **Please note that CERB is a benefit not taxed at source. Workers receiving CERB will be required to remit taxes on the benefit in the upcoming taxation year. The amount of tax remitted will be based on the total personal income in the 2020 taxation year.\***



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**FEDERAL GOVERNMENT BUSINESS LOAN INITIATIVE; ...A \$65 BILLION  
CANADIAN EMERGENCY BUSINESS ACCOUNT PROGRAM.**

**Mission Statement:**

Business loans through the Business Credit Availability Program (BCAP). This program will be funneled through the Business Development Bank of Canada (BDC) and the Export Development Canada (EDC). Both agencies are providing credit through banks.

**Objective of BCAP:**

- Government guaranteed loans of up to \$40,000 for small businesses. The loans will be interest-free until December 31, 2022 with up to \$10,000 that can be waived for repayment.

**Criterion of Business Loan:**

- Businesses must demonstrate to have paid between \$20,000 - \$1.5 million in total payroll in 2019.

**Canada Child Benefit:**

- The maximum annual CCB payment will increase for the 2019-20 benefit year by \$300 per child as part of the May payment.

**RRIF's:**

The minimum withdrawal rate for RRIF's has decreased by 25% for 2020. A similar decrease will apply to those receiving variable benefit payments under deferred-contribution pension plans.

**GST Credit:**

Canadians eligible for the GST credit will have received by now a one-time special payment of approximately \$400 for singles and \$600 for couples.

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