



April 2, 2020

RE: The Canada Emergency Wage Subsidy Program

Dear Brothers and Sisters in Christ,

The government has just released the details of the Canada Emergency Wage Subsidy program which is intended to help employers retain their employees. This program is in addition to the previously announced 10% Temporary Wage subsidy Program which will still be available for employers who do not qualify for the Canada Emergency Wage Subsidy.

The Canada Wage subsidy program applies to charities and non-profits that have lost at least 30% of their revenue due to COVID-19 and will apply retroactively from March 15, 2020 to June 6, 2020. The subsidy is on eligible remuneration of an employee paid between March 15, 2020 and June 6, 2020 and covers up to 75% of remuneration on the first \$ 58,700 that an employee’s earns or a weekly maximum of \$ 847. Eligible employers who suffer a drop in gross revenues of at least 30% in March, April or May when compared to the same month in 2019 would be eligible to access the subsidy. The revenue drop is calculated based on the drop in revenue in the following periods:

Wage Claiming Period	Revenue Eligibility Period
March 15 to April 11, 2020	March 2020 over March 2019
April 12 to May 9, 2020	April 2020 over April 2019
May 10 to June 6, 2020	May 2020 over May 2019

Remuneration includes an employee’s base salary or wages plus the housing allowance but would not include the value of a parsonage or housing furnished by an employer. Employers are expected to make their best efforts to pay the remaining 25% of earnings to employees if they can do so.

Application can be made through an online CRA portal that is expected to be available in the coming weeks. To receive the subsidy employers will have to keep records demonstrating their reduction in revenues and remuneration paid to employees and apply each month that the subsidy is available. Payments are not expected until six weeks from



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now and the government urges employers to ensure they are part of the CRA'S direct deposit pay system. In the meanwhile, employers who have a revenue shortage should talk to their financial institution about a short-term line of credit. At this point, we are not clear if registered charities can access an interest free loan through the Canada Emergency Business Account and suggest you ask your financial institution. The Canada Emergency Business Account applies to employers who had a payroll between \$50,000 and \$ 1,000,000 and provides access to a line of credit up to \$ 40,000 with no interest for the first year. If the loan is paid off by the end of the 2022, a quarter of the initial loan will be forgiven. Further information is on the government website <https://www.canada.ca/en/department-finance/economic-response-plan/covid19-businesses.html>

Further information on the Canada Wage Subsidy Program is available on the government website <https://www.canada.ca/en/department-finance/economic-response-plan/wage-subsidy.html>

We will post this letter on the Worker Benefits website www.lccbenefits.ca

God's Blessings,

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