

Breaking news – Access to federal wage subsidies and stimulus funding in Canada

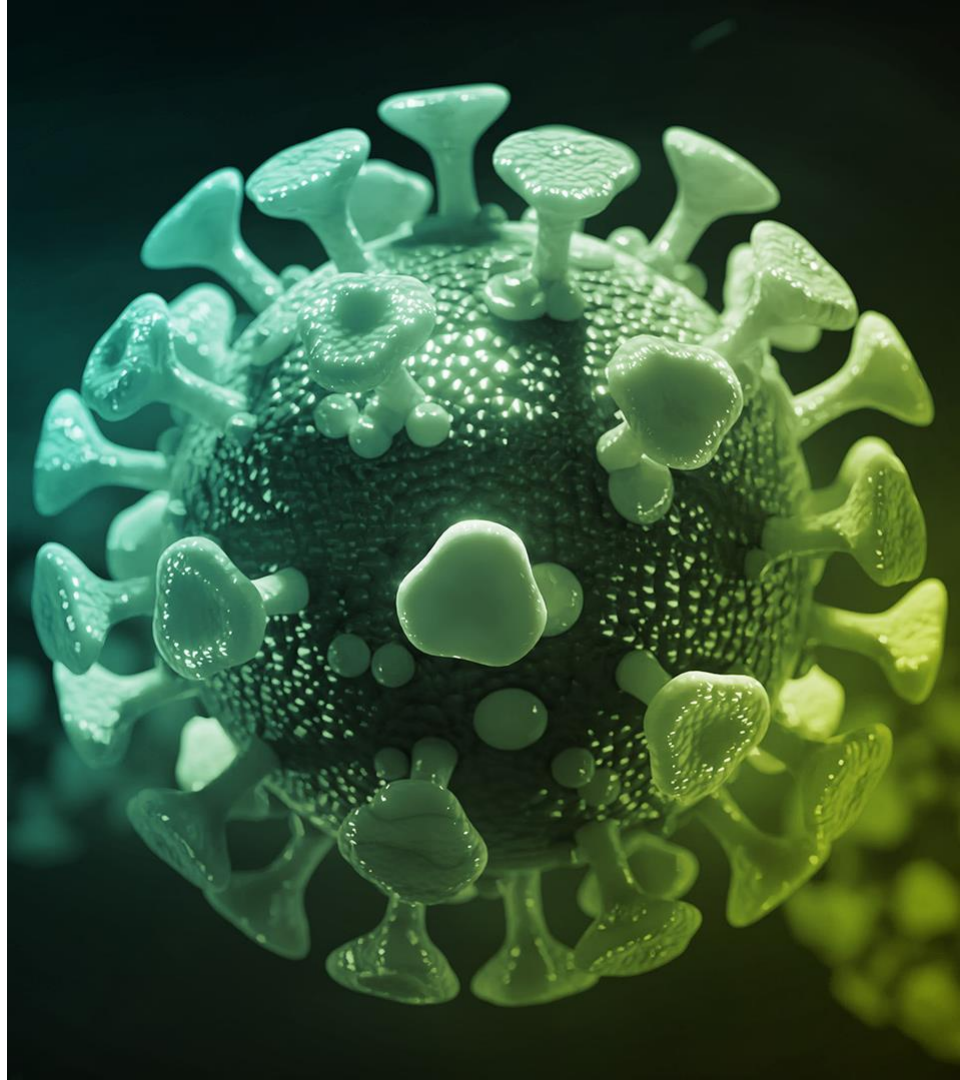
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Agenda

- Welcome and introductions
- Accessing: Wage subsidy program
- Questions
- Closing remarks
- Norton Rose Fulbright COVID-19 resources

Welcome and introductions

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Accessing: Wage subsidy program

Subsidy particulars

- Entity must demonstrate a 30% decline in “gross” revenues
- 75% of salary up to \$58,700 per year, being up to \$847 per week, per employee
- Available to non-publically funded businesses, non-profits, and charities
- Retroactive to March 15, 2020
- Applies for up to 3 months
- Public policy

Accessing: Wage subsidy program

Test - To access subsidy

- Entity must demonstrate a 30% decline in “gross” revenues
- Entity must (generally) compare revenues to same month from last year
- There will be some “flexibility’ in this approach (*i.e.* if can’t compare to last year, for example start-ups)
- If flexible approach is attempted, will need to demonstrate that point of comparison for the 30% drop is reasonable, examples given are prior month or other comparable month (*i.e.* likely all about finding a reasonable point of reference)

Accessing: Wage subsidy program

Subsidy application process

- Application to be done through a CRA Portal (via MY CRA and/or separate web-based platform)
- CRA still developing application and questionnaire
- Portal to be set up in next **3-6 weeks**
- Payments will likely take a further few weeks after application approval
- Employer will have to attest that they are doing everything they can to pay remaining 25% to employees – presumably by formal attestation
- Will have to re-apply each month
- Wages will likely be provided by direct deposit into entity's bank account
- Cash flow considerations

Accessing: Wage subsidy program

Subsidy application process goal

- To provide workforce with confidence, to promote continuity of wages, and encourage rehiring

Caveats

- “High Trust” place on entity’s shoulders as the applicant
- Government to take “decisive action for bad actors” for break in trust
- Entities must have an eye towards reasonable due diligence and document retention
- Rapid preparation to support revenue criteria, to ensure direct deposit and My CRA Account where appropriate, and front of the line are all ideal
- <https://www.canada.ca/en/department-finance/news/2020/04/government-announces-details-of-the-canada-emergency-wage-subsidy-to-help-businesses-keep-canadians-in-their-jobs.html>



Questions?

A close-up, warm-toned photograph of a person's hands interacting with a laptop. One hand is pointing at a pie chart on the screen, while the other is near the keyboard. The scene is dimly lit, creating a professional and focused atmosphere.

Closing remarks

Moderator and speaker



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Norton Rose Fulbright COVID-19 resources

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 - Part two | Canadian legal implications for business leaders
 - Part three | Considering the economic fallout in Canada
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