

COVID-19 SUBSIDIES AND RELIEF PROGRAMS

- 10% Temporary Wage Subsidy for Employers (TWSE)
- 75% Canada Emergency Wage Subsidy (CEWS)
- Federal Work-sharing Program
- CERB/EI/SUB
- Canada Emergency Business Account
- Accessing Restricted Funds

10% Temporary Wage Subsidy for Employers (TWSE)

- Is now law
- 10% of eligible remuneration paid by an employer during a 3 month period (Mar 18 – June 19)
- Maximum subsidy of \$1,375 per employee and \$25,000 per employer

10% Temporary Wage Subsidy for Employers (TWSE)

- Reduce amount of federal income taxes submitted to CRA
- Deduct tax, CPP, EI on salaries the same as before, then reduce the tax amount remitted to CRA by the subsidy
- <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>

75% Canada Emergency Wage Subsidy (CEWS)

- Is now law
- Apply through CRA My Business Account portal or online activation once available
- Eligible if revenue dropped by at least 15% in March and 30% for following months
- Available for 12 weeks retroactive to March 15

75% Canada Emergency Wage Subsidy (CEWS)

- Registered charities are eligible
- For registered charities revenue includes most forms of revenue
- Compare March 2020 revenue with either March 2019 revenue or the average of Jan and Feb 2020 revenue
- Compare April 2020 revenue with either April 2019 or the average of Jan and Feb 2020

75% Canada Emergency Wage Subsidy (CEWS)

- Subsidy is the greater of:
- 75% of the amount of remuneration paid, up to a maximum benefit of \$847 per week; and
- 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
- In effect, may be eligible for up to 100% of the first 75% of pre-crisis wages or salaries

75% Canada Emergency Wage Subsidy (CEWS)

- If also receiving the TWSE subsidy, that amount would reduce the amount of CEWS
- <https://www.canada.ca/en/departement-finance/economic-response-plan/wage-subsidy.html>

Federal Work-Sharing Program

- If the church has more than 2 full-time permanent employees and need to reduce their hours
- Equal sharing of work
- Agreement between employer, employees and Service Canada
- Application process
- <https://www.canada.ca/en/employment-social-development/corporate/notices/coronavirus.html>

CERB/EI/SUB

- All EI applications following March 15th directed to CERB
- Churches registered under the Fellowship's SUB Plan are able to top-up employees receiving EI benefits up to 95% of previous salary
- Under the CERB plan, it is still not clear if these top-up's are allowed

Canada Emergency Business Account

- Interest free loans of up to \$40,000 available to small businesses and not-for-profits
- Need to show had at least \$50,000 in payroll in 2019
- If repay before Dec 31, 2022 can receive loan forgiveness of 25%
- Contact your financial institution to apply

Accessing Restricted Funds

- Should be done as a last resort
- Legally a charity must adhere to the terms of any gift restrictions unless they obtain a court order
- Ontario has provided temporary guidelines to allow charities in **danger of closing** to access restricted funds
- First notify Public Guardian and Trustee

Accessing Restricted Funds

- Use only for operational expenses and contractual obligations or COVID-19 relief work
- <https://www.millerthomson.com/en/publications/communications-and-updates/social-impact-newsletter-formerly-the/april-7-2020-social-impact/accessing-restricted-funds-amidst-the-covid-19-crisis/>