

### **Canada Emergency Wage Subsidy (Extension)**

On October 14, 2020, the federal government announced that it will be extending the Canada Emergency Wage Subsidy (“CEWS”) until June 2021. The eligibility requirements and subsidy calculations have remained consistent with the CEWS 2.0 details previously communicated on August 5, 2020 which can be found [here](#).

The draft legislation is currently awaiting final approval, however once approved it will result in a formal period 10 qualifying period that spans November 22, 2020 through December 19, 2020, and additional prescribed periods that will end no later than June 30, 2021.

Additionally, to make the subsidy more responsive to sudden fluctuations in revenues, the calculations for the top-up percentage have been amended for period 8 and onward (i.e. the period beginning September 27, 2020). The government will be providing further details related to the qualifying periods after period 10 in the near future.

### **Canada Emergency Rent Subsidy (NEW)**

On October 9, 2020, the federal government announced that it will be introducing the Canada Emergency Rent Subsidy (“CERS”). This subsidy will follow the same qualifying periods as the current CEWS program starting with period 8 (September 27, 2020 through October 24, 2020). It will also mirror the CEWS with respect to requiring a decline in current period revenues when compared to a prior period. The new rent subsidy would provide benefits directly to qualifying renters and property owners, without requiring the participation of landlords.

Alike the CEWS, eligible entities for the CERS would include individuals, taxable corporations, trusts, non-profit organizations and registered charities.

This new subsidy will provide a benefit of up to 65% of eligible expenses with a potential further subsidy of another 25% if the entity is affected by lockdown measures under a Public Health Order. The subsidy is limited to \$75,000 per entity per qualifying period (\$300,000 per affiliated group) depending on the level of revenue decline.

Eligible expenses would include commercial rent, property taxes, property insurance and interest on commercial mortgages for a qualifying property, less any subleasing revenues.

The draft legislation is currently awaiting final approval similar to the CEWS extension noted above.

The legislation for CEWS and CERS are complex and an analysis of specific situations is beyond the scope of this email. However, if your business has experienced a decline in revenue or if you would like more information about either program and its applicability to your business, please contact your partner/manager at the firm and we will be happy to assist you.

For a direct link to the Department of Finance backgrounder concerning the extension of the CEWS please click [here](#).

For a direct link to the Department of Finance backgrounder concerning the CERS please click [here](#).

For a direct link to the Department of Finance backgrounder on additional CERS support for lockdowns please click [here](#).