

Update on the New Canada Emergency Wage Subsidy

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This afternoon, Minister of Finance, Bill Morneau, released further details of the much anticipated emergency wage subsidy program that we initially wrote about on Tuesday, March 30, 2020. (Read more.)

This is the program that Prime Minister Trudeau initially suggested would be coming last Friday. The emergency wage subsidy is available to all Canadian employers (including non-profits and charities), regardless of the size of their workforce, who have seen their March revenue decrease 30% relative to March 2019. Mr. Morneau also indicated that the program would be available for a 30% drop in each of April revenue and May revenue relative to those same months in 2019. Employers will be required to reapply each month.

The temporary wage subsidy amounts to 75% on the first \$58,700 each worker earns annually to a maximum of \$847 per employee per week. Mr. Morneau, as the Prime Minister has before him, urged participating employers to pay the balance of employee wages. Mr. Morneau continued on to warn that there would be "severe penalties" if these funds are not applied to employees or employers engage in other fraud. Mr. Morneau encouraged employers to rehire their employees.

Applications will be made, monthly, to an online portal being created by the Canada Revenue Agency with funds being available in approximately six weeks.

We will update you as any further details become available.

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