

## Overview of Canadian COVID-19 Economic Relief Programs

Learn more about relief programs offered by the Government of Canada that may be available to businesses, independent contractors and employees.

### Programs for Employers (Brokers, Teams, Personal Real Estate Corporations (PRECs)):

- [Canada Emergency Wage Subsidy \(CEWS\)](#): Provides up to a 75% wage subsidy to eligible employers.
- [Temporary Wage Subsidy \(TWS\)](#): Provides a temporary 10% wage subsidy to reduce payroll deductions required to be remitted to the Canada Revenue Agency.
- [Work-Sharing \(WS\) Program](#): Program to help employers and employees avoid layoffs by providing Employment Insurance benefits to eligible employees who agree to reduce their normal working hours.
- **Business Credit Availability Program (BCAP)**: Provides \$65 billion in additional support through small business loans. Several programs fall under the BCAP, including:
  - [Canada Emergency Business Account \(CEBA\)](#): Provides interest-free loans of up to \$40,000 to small businesses.
  - [Business Development Bank of Canada \(BDC\) Co-Lending Program](#): Three different loan sizes to target different business sizes.
  - **Export Development Canada (EDC)**: Issuance of new operating credit and cash flow term loans of up to \$6.25 million.

### Programs for Agents and Employees:

- [Canada Emergency Response Benefit \(CERB\)](#): Temporary income support for those who have stopped working or who have had their income reduced.

Some companies or individuals may be eligible for multiple programs. For example, an agent who has employees may apply for CEWS to subsidize employees' wages and CERB to supplement the agent's income.

**Important:** This summary is for your information only and cannot provide every detail that might be relevant to your situation. RE/MAX, LLC cannot be responsible for errors or omissions and cannot provide legal or tax advice. Research your options carefully.

## Canada Emergency Wage Subsidy (CEWS)

<b>Program Overview</b>	Program for employers to subsidize employees' wages.
<b>Who Qualifies?</b>	<p>Eligible Employers include:</p> <ol style="list-style-type: none"> <li>1. Taxable corporations</li> <li>2. Partnerships consisting of eligible employers</li> <li>3. Individuals</li> <li>4. Agents that have incorporated as a Personal Real Estate Corporation (PREC) and receive a wage from their PREC.</li> </ol> <p>An eligible employer must have had a registered payroll account with the Canada Revenue Agency (CRA) on March 15, 2020.</p>
<b>Eligibility Requirements</b>	<p>Employers that have experienced a decline of 15% or more in gross revenue in March and/or 30% or more in April or May, as compared to either (i) the same month in 2019 or (ii) an average of its monthly gross revenues in January and February 2020.</p> <p>The wage subsidy is only for employees—not independent contractors.</p>
<b>Amount of Subsidy</b>	<p>The amount will be equal to the greater of:</p> <ul style="list-style-type: none"> <li>• 75% of the amount of eligible remuneration paid to employees, up to a maximum of \$847 per week, per employee; and</li> <li>• The lesser of (a) the amount of eligible remuneration paid, up to the maximum, and (b) 75% of the employee's pre-crisis weekly eligible remuneration.</li> </ul> <p>Eligible remuneration may include salary, wages, and other remuneration like taxable benefits. It does not include severance pay, stock option benefits, or the personal use of a corporate vehicle. The Government of Canada has provided an online calculator <a href="#">here</a> to help determine the subsidy you can expect.</p>
<b>Limitations</b>	No overall limit that an employer may claim.
<b>How is Revenue Calculated?</b>	Revenue is calculated using the normal accounting method of the employer, under either the accrual or cash method. It is limited to revenue in Canada and excludes revenues from extraordinary items and amounts on accounts of capital. When applying, the employer will select an accounting method and use that for the duration of the program.
<b>Eligible Period</b>	<p>Eligibility is determined based on the change in an employer's monthly revenues, year-over-year, for the calendar month in which the period began.</p> <ul style="list-style-type: none"> <li>• Period 1: March 15, 2020 to April 11, 2020. Required reduction in revenue is 15%.</li> <li>• Period 2: April 12, 2020 to May 9, 2020. Required reduction in revenue is 30%.</li> <li>• Period 3: May 10, 2020 to June 6, 2020. Required reduction in revenue is 30%.</li> </ul> <p>Eligible employers will need to apply for the wage subsidy each month.  <i>*The program will be in place until August 29, 2020.</i></p>
<b>Interaction With Other Programs</b>	<ul style="list-style-type: none"> <li>• <b>CERB:</b> If you are receiving wages from your employer through CEWS (even if you are not actively working), you are not eligible for the CERB.</li> <li>• <b>TWS:</b> Any benefit from this earlier program will generally reduce the amount available to be claimed under the CEWS in the same period.</li> <li>• <b>Employment Insurance and Work-Sharing Program:</b> Employment insurance benefits received by employees through this program reduce the benefit employer is entitled to receive under the CEWS.</li> </ul>

# Canada Emergency Wage Subsidy (CEWS)

## How to Apply

Employers can apply through the Canada Revenue Agency's [My Business Account portal](#).

- When applying, the employer will need to provide attestation that it is making best efforts to pay the remaining 25% of the employee's salary or wages.
- Visit the Government of Canada CEWS [How to apply](#) page for more information.

## Additional Information

- Employers eligible for CEWS are also entitled to receive a 100% refund for certain employer-paid contributions to Employment Insurance, the Canada Pension Plan, the Quebec Pension Plan, and the Quebec Parental Insurance Plan.
- The subsidy is on an employee-by-employee basis and will only apply to employees who remain employed or are rehired.
- An employer can reduce an employee's pay and continue to benefit from the CEWS.
- There is no requirement for employees to perform services. They need to be employed and on the employer's payroll.
- Payroll taxes will continue to be calculated.
- Subsidies are taxable income to the business.

## Key Link

[Government of Canada CEWS Page](#)  
[CEWS Application Guide](#)

## Temporary Wage Subsidy (TWS)

<b>Program Overview</b>	Program for employers that reduces payroll deductions remitted to the Canada Revenue Agency.
<b>Who Qualifies?</b>	<ol style="list-style-type: none"> <li>Employers with an existing business number and a payroll program account with the Canadian Revenue Agency (CRA) on March 18, 2020.</li> <li>Employers that pay salary, wages, bonuses, or other remuneration to an eligible employee (an individual employed in Canada).</li> </ol>
<b>Eligibility Requirements</b>	<p>Eligible employers that are:</p> <ul style="list-style-type: none"> <li>An individual</li> <li>A partnership</li> <li>A non-profit organization or registered charity</li> <li>A Canadian-controlled private corporation</li> </ul>
<b>Amount of Subsidy</b>	10% of the remuneration you pay from March 18, 2020 to June 19, 2020, up to \$1,375 for each eligible employee.
<b>Limitations</b>	Maximum of \$25,000 total per employer.
<b>How is Subsidy Calculated?</b>	<p>The CRA will not automatically calculate the allowable subsidy. The employer must calculate the amount manually.</p> <p>The calculation is based on the total number of eligible employees employed at any time during the three-month period.</p>
<b>Eligible Period</b>	March 18, 2020 to June 19, 2020
<b>Interaction With Other Programs</b>	<ul style="list-style-type: none"> <li>This is a separate program from the <a href="#">CEWS</a>, that was implemented with the first <i>COVID-19 Emergency Response Act</i>. Employers that qualify for both subsidies will have any subsidy under CEWS reduced by the amount of any subsidy the TWS.</li> </ul>
<b>How to Apply</b>	<p><b>You do not need to apply for the subsidy. In order to receive the subsidy, take the following steps:</b></p> <ol style="list-style-type: none"> <li>Continue deducting income tax, Canada Pension Plan (CPP) contributions, and Employment Insurance (EI) premiums from salary, wages, bonuses, or other remuneration paid to any employee.</li> <li>Calculate your subsidy when you remit these amounts to the CRA.</li> <li>Once you calculate your subsidy, you can reduce your payroll remittance of federal, provincial, or territorial income tax that you send to the CRA by the amount of the subsidy.</li> </ol>
<b>Additional Information</b>	<ul style="list-style-type: none"> <li>You cannot reduce your payment of CPP contributions or EI premiums. You must continue paying CPP contributions and EI premiums that you deduct from employees, as well as your share of CPP contributions and EI premiums, as the employer, to the CRA.</li> <li>If the income taxes you deduct are not sufficient to offset the value of the subsidy in a specific period, you can reduce future payroll remittances to benefit from the subsidy.</li> <li>If an employer chooses not to reduce payroll remittances during the year, they can still calculate the TWS paid for the Eligible Period and the CRA will pay them the amount at the end of the year. In the alternate, the CRA can transfer the amount to next year's remittance.</li> <li>The subsidy is taxable income.</li> <li>The TWS only allows for reduced payroll remittances to the CRA only. It does not change remittances made to Revenu Québec.</li> </ul>
<b>Key Link</b>	<a href="#">Government of Canada TWS page</a>

## Work-Sharing (WS) Program

<b>Program Overview</b>	A program to help employers and employees avoid layoffs when there is a temporary decrease in business activity that is out of the control of the employer. <b>This program is not available for self-employed individuals.</b>
<b>Eligibility Requirements</b>	<p><b>For Employers:</b></p> <ul style="list-style-type: none"> <li>• Have been in business in Canada for at least one year;</li> <li>• Be a private business, publicly-held company, or non-profit;</li> <li>• Demonstrate a recent decrease in business activity of approximately 10%;</li> <li>• Demonstrate the work shortage is temporary and beyond their control;</li> <li>• Submit and implement a recovery plan (this is one line in the application form)</li> </ul> <p><b>For Employees:</b></p> <ul style="list-style-type: none"> <li>• Be permanent, full-time or part-time employee needed to carry out day-to-day functions of the business;</li> <li>• Be eligible to receive Employment Insurance (EI) benefits;</li> <li>• Agree to reduce normal working hours by the same percentage</li> </ul>
<b>Program Features</b>	<ul style="list-style-type: none"> <li>• WS is an agreement between employers, employees, and the Canadian Government, via Service Canada.</li> <li>• A group of employees with similar job duties (called a Work-Sharing Unit) will agree to reduce their hours for an equal percentage of time (by at least 10%-60%) over a specific period.</li> </ul>
<b>Agreement Length</b>	The Agreement has to be at least 6 consecutive weeks but can last up to 76 weeks.
<b>How to Apply</b>	<p>Complete application form (ESDC EMP5100), which can be found <a href="#">here</a>, and Work-Sharing Unit form (ESDC EMP5101), which can be found <a href="#">here</a>. Email both forms to one of the email addresses below, based on the area where your business is located:</p> <ul style="list-style-type: none"> <li>• Atlantic Provinces: <a href="mailto:ESDC.TP-ATL-WS-TP.EDSC@servicecanada.gc.ca">ESDC.TP-ATL-WS-TP.EDSC@servicecanada.gc.ca</a></li> <li>• Quebec: <a href="mailto:QC-DPMTDS-LMSDPB-TP-WS-GD@servicecanada.gc.ca">QC-DPMTDS-LMSDPB-TP-WS-GD@servicecanada.gc.ca</a></li> <li>• Ontario: <a href="mailto:ESDC.ON.WS-TP.ON.EDSC@servicecanada.gc.ca">ESDC.ON.WS-TP.ON.EDSC@servicecanada.gc.ca</a></li> <li>• Western Canada and Territories: <a href="mailto:EDSC.WT.WS-TP.ESDC@servicecanada.gc.ca">EDSC.WT.WS-TP.ESDC@servicecanada.gc.ca</a></li> </ul>
<b>Additional Information</b>	Employers should submit applications 10 calendar days prior to the requested start date.
<b>Key Links</b>	<p><a href="#">Service Canada Overview of Work-Sharing Program</a>  <a href="#">Government of Canada Work-Sharing Program Overview</a>  <a href="#">Work-Sharing Program Applicant Guide</a></p>

## Canada Emergency Business Account (CEBA)

<b>Program Overview</b>	Loans up to \$40,000, of which 25% is forgivable.
<b>Who Qualifies?</b>	Canadian-operated businesses that paid between \$20,000 to \$1,500,000 in total payroll in 2019. This includes sole proprietors or a PREC. However, sole proprietors that declare business income instead of salary, may not meet the payroll requirement.
<b>Eligibility Requirements</b>	<ul style="list-style-type: none"> <li>• Canadian operating business in operation as of March 1, 2020.</li> <li>• Applicant must have an active business chequing/operating account with the Lender. Note that</li> <li>• Applicant must have a federal tax registration.</li> <li>• Applicant must confirm its intention to continue to operate its business or resume operations.</li> <li>• Applicant cannot have previously used or applied for CEBA at any other financial institution.</li> </ul>
<b>Maximum Loan Amount</b>	\$40,000
<b>Interest Rate</b>	Interest-free until December 31, 2022. If loan is not repaid by December 31, 2022, 5%.
<b>How much of the loan is guaranteed by the government?</b>	100%
<b>What can the loan's proceeds be used to pay?</b>	<p>Immediate operating costs, such as:</p> <ul style="list-style-type: none"> <li>• Payroll</li> <li>• Rent</li> <li>• Utilities</li> <li>• Insurance</li> <li>• Property Tax</li> <li>• Debt Service</li> </ul>
<b>Restrictions on use of loan's proceeds</b>	Funds may not be used to cover payments or expenses such as prepayment/refinancing of existing indebtedness, payments of dividends, distributions and increases in management compensation.
<b>Loan Forgiveness</b>	If the loan is repaid by December 31, 2022, 25% of the loan will be forgiven (up to \$10,000).
<b>Term</b>	If the loan is not repaid by December 31, 2022, the remaining balance will be converted to a three-year loan.
<b>How to Apply</b>	Qualifying businesses apply online through the bank that holds their primary business operating account.
<b>Key Links</b>	<a href="#">Government of Canada's CEBA Questions website</a> <a href="#">Department of Finance website</a>

## Business Development Bank of Canada (BDC) Co-Lending Program

<b>Program Overview</b>	Loans to businesses, made through financial institutions, that are partly government guaranteed.
<b>Who Qualifies to Borrow?</b>	Any Canadian business that was financially viable and revenue generating prior to the COVID-19 outbreak.
<b>Eligibility Requirements</b>	Any Canadian business. Further details on eligibility are forthcoming.
<b>Maximum Loan Amount</b>	<ul style="list-style-type: none"> <li>• Up to \$312,500 for businesses with revenues less than \$1 million.</li> <li>• Up to \$3.125 million for businesses with revenues between \$1 million and \$50 million</li> <li>• Up to \$6.25 million for businesses with revenues over \$50 million.</li> </ul>
<b>Interest Rate</b>	Determined by financial institution.
<b>How much of the loan is guaranteed by the government?</b>	80%
<b>What can the loan's proceeds be used to pay?</b>	<ul style="list-style-type: none"> <li>• Operational and liquidity needs of business</li> <li>• Interest payments on existing debt</li> </ul>
<b>Restrictions on use of loan's proceeds</b>	Determined by financial institution.
<b>Term</b>	10 years
<b>How to Apply</b>	Applicants will apply through their primary financial institution.
<b>Additional Information</b>	<ul style="list-style-type: none"> <li>• Loans will be interest-only for the first 12 months.</li> <li>• There is a similar program through the <a href="#">Export Development Canada (EDC)</a>.</li> </ul>
<b>Key Links</b>	<a href="#">Business Development Bank of Canada website</a> <a href="#">Department of Finance website</a> <a href="#">BCAP Program Overview</a>

*BDC Fee Payments and Deferrals: If you are an existing client of BDC with a total loan commitment of \$1 million or less, BDC will provide postponement of payments for up to six months, free of charge. If you are not an existing BDC customer but qualify, BDC will provide working capital loans of up to \$2 million with flexible terms and payment postponements for up to six months. The BDC is also offering reduced rates on new, eligible small business and working capital loans during this time.*

## Additional Economic Relief

Program	Details
<b>Income Tax Filing Deferral</b>	<ul style="list-style-type: none"> <li>All businesses are allowed to defer the payment of any income tax amounts that are owed on or after March 18, 2020 and before September 1, 2020, until after August 31, 2020.</li> <li>No interest or penalties will accumulate on these amounts during this period.</li> <li>This applies to tax balances due, as well as instalments, under Par 1 of the <i>Income Tax Act</i></li> </ul>
<b>Deferral of Sales Tax Remittances</b>	<p>All businesses can defer GST/HST remittances to June 30, 2020:</p> <ul style="list-style-type: none"> <li>Monthly filers: deferral applies to remittances for the February, March, and April 2020 periods</li> <li>Quarterly filers: deferral applies to January 1, 2020 through March 31, 2020 period</li> <li>Annual filers: amounts collected and owing for their previous fiscal year and instalments of GST/HST in respect of the filer's current fiscal year</li> </ul>
<b>Canada Emergency Commercial Rent Assistance (CECRA)</b>	<p>Program to provide forgivable loans to qualifying commercial property owners to cover 50% of monthly rent payments payable by eligible small business tenants.</p> <ul style="list-style-type: none"> <li>The loans will be forgiven if the property owner agrees to reduce the small business tenants' rent by at least 75% under a rent forgiveness agreement. The agreement will include a term to not evict the tenant during the duration of the agreement.</li> <li>Eligible small business tenants are businesses paying less than \$50,000 per month in rent and have temporarily ceased operations or have experienced at least a 70% drop in pre-COVID revenue.</li> <li>The program will cover the time period of April (retroactive), May, and June.</li> <li>Applications for CECRA can be done through the Canada Mortgage and Housing Corporation <a href="#">website</a>.</li> </ul>

## Canada Emergency Response Benefit (CERB)

<b>Who Qualifies?</b>	People without employment or self-employment income or whose income was reduced for reasons related to COVID-19. This includes any self-employed Realtor, without additional sources of salaried income.
<b>Eligibility Requirements</b>	<ol style="list-style-type: none"> <li>1. Canadian residents, who are at least 15 years old.</li> <li>2. Must have stopped working or had other disruptions to their working situation for reasons related to COVID-19</li> <li>3. Must have had income of at least \$5,000 in 2019 or in the 12 months prior to the date of application. Note that the income does not have to be earned in Canada, but you need to reside in Canada.</li> <li>4. Must expect to be without employment or self-employment income for at least 14 consecutive days in the first four-week period.</li> <li>5. Workers who, after March 15, are eligible for Employment Insurance regular or sickness benefits.</li> </ol>
<b>Maximum Amount</b>	\$500 a week for up to 16 weeks. The CERB will be paid in blocks of four weeks, or \$2,000
<b>Eligible Period</b>	<ul style="list-style-type: none"> <li>• March 15, 2020 to October 3, 2020</li> <li>• There are seven four-week eligibility periods. A person can receive benefits for up to four eligibility periods (total of 16 weeks), which do not need to be consecutive. Eligibility is based on expected income during each period.</li> </ul>
<b>Application Deadline</b>	December 2, 2020
<b>Limitations</b>	<ul style="list-style-type: none"> <li>• Only apply for the CERB through either Service Canada or the Canada Revenue Agency (CRA), not both.</li> <li>• You may not earn more than \$1,000 for a period of at least 14 consecutive days within the initial four-week period of your claim or \$1,000 in total for each subsequent claim.</li> <li>• You cannot be paid Employment Insurance benefits and the CERB for the same period.</li> </ul>
<b>How to Apply</b>	<p>Applicants can apply online <a href="#">here</a>.</p> <ul style="list-style-type: none"> <li>• Applicants will be asked a few questions to determine if they apply through Service Canada or the Canada Revenue Agency.</li> <li>• Applicants can also apply through an automated phone service at 1.800.959.2019 or 1.800.959.2041. You will need to provide your social insurance number (SIN) and postal code to verify your identity.</li> <li>• To help manage the number of applicants, the Canadian government has set up specific days to apply based on birth month. Check on the best day to apply <a href="#">here</a> (under number 3).</li> </ul>
<b>Additional Information</b>	<ul style="list-style-type: none"> <li>• Processing time: three to five business days for direct deposit or 10 business days by cheque.</li> <li>• Applicants will need to re-apply for the benefit every four weeks if still needed, up to 16 weeks.</li> <li>• Applicants may be asked to provide additional documentation to verify eligibility at a future date.</li> <li>• You will receive your benefit within 10 days of applying.</li> <li>• Payments will be retroactive to the date you became eligible.</li> <li>• Benefits are taxable.</li> </ul>
<b>Key Link</b>	<a href="#">Government of Canada CERB Page</a>

**Additional Resources:**

[The Canadian Real Estate Association \(CREA\) COVID-19 Hub](#)

[Canadian Department of Finance Support for Canadian Businesses](#)

[Government of Canada's COVID-19 Economic Response Plan](#)

[Canada Revenue Agency](#)