

Steps to Completing a Canada Emergency Wages Subsidy Application Online

Updated April 27th, 2020

Note: the intent of this is to provide an overview of the steps and information required to complete the application for CEWS online, it was accurate as of date it was updated. Each club is responsible for determining their eligibility and ensuring they complete the form correctly for their organization.

Step 1: CHOOSE CLAIMING PERIOD

Step 2: BASIC CANADA EMERGENCY WAGE SUBSIDY

Line A – Number of Eligible Employees

Enter the number of eligible employees you had on your payroll during the period covered by this claim in the box for line A.

An eligible employee is an individual who is employed in Canada. Eligibility for the CEWS of an employee's remuneration, will be limited to employees that have not been without remuneration for more than 14 consecutive days in the eligibility period, i.e., from March 15 to April 11, from April 12 to May 9, and from May 10 to June 6. That is, if the employer laid off or otherwise did not pay an employee and did not retroactively re-hire them - and that was the situation for over 14 days in the eligibility period, the employer cannot count that employee as an eligible employee.

Line B – Total Eligible Remuneration Paid

Eligible remuneration of an eligible employee means amounts received as salary, wages, and certain other remuneration like fees, commissions or other amounts for services.

The following amounts are not considered eligible remuneration:

- a retiring allowance;
- stock option benefits;
- any amount received that can reasonably be expected to be paid or returned, directly or indirectly, to the eligible employer or to a person (including a partnership) with whom the eligible employer does not deal at arm's length;
- any amount that is paid in respect of a week in the claim period, if, as part of an arrangement involving the eligible employee and the eligible employer:
 - the amount is in excess of the eligible employee's baseline remuneration,
 - after the claim period, the eligible employee is reasonably expected to be paid a lower weekly amount than their baseline remuneration, and
 - one of the main purposes for the arrangement is to increase the amount of the CEWS.

Line C – Basic Canada Emergency Wage Subsidy

The basic amount of CEWS that you can claim in the period is the total of the following amount for each eligible employee, for each week in the period:

The greater of X or Y, where:

X = the **least** of the following:

- 75% of the employee's eligible remuneration for week (i.e. actual pay)
- \$847, or
- \$0 - if non-arms length employee

Y = the **least** of the following:

- Eligible remuneration for week (i.e. actual pay)
- 75% of baseline pay for employee for that week
- \$847

Baseline pay = average weekly eligible remuneration for that employee (from this employer) for the period from January 1, 2020 to March 15, 2020 (inclusive); excluding any period of 7 or more consecutive days for which the employee was not paid.

AMOUNTS INCREASING THE BASIC CANADA EMERGENCY WAGE SUBSIDY

Line D – Employers EI & QPIP Premiums Payable on Salary Paid to Furloughed Employees

Enter the employer's Employment Insurance (EI) or Quebec Parental Insurance Plan (QPIP) contributions for **furloughed employees (employees on leave with pay)** for the relevant period in the box for line D.

This refund would apply to the entire amount of employer-paid contributions in respect of remuneration paid to furloughed employees in a period where the employer is eligible for the CEWS.

Line E – Employer CPP & QPP Contributions Payable on Salary Paid to Furloughed Employees

Enter the employer's Canada Pension Plan (CPP) or (Quebec Pension Plan) QPP contributions for **furloughed employees (employees on leave with pay)** for the relevant period in the box for line E.

This refund would apply to the entire amount of employer-paid contributions in respect of remuneration paid to furloughed employees in a period where the employer is eligible for the CEWS.

AMOUNTS DECREASING THE BASIC CANADA EMERGENCY WAGE SUBSIDY

Line F – Amount Eligible to be Claimed under the 10% Temporary Wage Subsidy for Employers

The 10% Temporary Wage Subsidy for Employers reduces the amount of income tax source deductions that employers have to remit to CRA on behalf of their employees by up to 10% of their remuneration (to a maximum of \$1,375 per employee up to \$25,000 per employer). Many employers that qualify for the CEWS also qualify for the 10% Temporary Wage Subsidy for Employers.

Under the new rules, the government made the 10% Temporary Wage Subsidy work automatically by creating a new law that says that employers who qualify are “deemed” to have sent in too much money to the CRA for income tax source deductions on behalf of their employees. Some employers took advantage of this right away by reducing the amount of income tax that they sent to the CRA on behalf of employees. Other employers have not done anything yet.

CEWS and the 10% Temporary Wage Subsidy for Employers are intended to provide total support of up to 75% for payroll, not 75% + 10%. If you did not reduce the source deductions you remitted to the CRA, but you were entitled to the 10% Temporary Wage Subsidy for Employers, the CRA will treat you as having over-remitted your employee source deductions (so that normally you will be entitled to a refund). The CRA will require you to fill out a self-identification form, that will be published in the coming months, in order for us to credit your payroll program account by the amount of the subsidy. In all cases, if you are eligible for the 10% Temporary Wage Subsidy, you must put the amount that you are eligible for in the box for line F, whether or not you have taken advantage of it.

Line G – Amounts received by eligible employees under ESDC’s Work Sharing Benefit Program

For employers and employees that are participating in Employment and Social Development Canada’s Work-Sharing benefit program, EI benefits received by employees through the Work-Sharing program will reduce the benefit that their employer is entitled to receive under the CEWS.

Enter the total amount received under the Work-Sharing program by your eligible employees during the period covered by this claim in the box for line G.

BALANCE

Line H – Canada Emergency Wage Subsidy (Line C+D+E-F-G) will be calculated when next is selected

Step 3: ATTESTATION

Attestation

You must attest to the following conditions:

1. All information included in this application is to the best of my knowledge true and complete and is not false or misleading in all material respects.
2. I am the individual who has principal responsibility for the financial activities of the employer.
3. The employer is an eligible employer for the Canada Emergency Wage Subsidy (CEWS) as determined under the CEWS program rules in section 125.7 of the *Income Tax Act* (the "CEWS program rules").
4. The employer's qualifying revenue from activities carried on in Canada has declined by the specified amount (15% for period 1; 30% for periods 2 and 3) as compared to their revenue before the COVID-19 crisis, as determined under the CEWS program rules.
5. The amount of the claim in the CEWS is based on remuneration of employees that were on the employer's payroll during the period being claimed to the extent required under the CEWS program rules.
6. The claim amount was calculated based on eligible remuneration and does not include excluded remunerations under the CEWS program rules (for example, stock options, severance payments, etc.).
7. The claim has been reduced by the 10% Temporary Wage Subsidy as described in section 153 of the *Income Tax Act*.
8. The employer has and will maintain records for CRA review that demonstrate the revenue reduction, employee remuneration and any other information required to verify the amount of the CEWS claim. The employer will maintain records for the amount of wages paid to employees from the subsidy, and report these amounts on its employees' T4 slips and its T4 summary. These records will be made available to the CRA upon request.
9. The employer will repay amounts paid under the CEWS if it is later determined that the eligibility requirements were not met or the amounts were overstated.
10. The employer will keep records of any election the employer (together with all required participants in the election under the CEWS program rules) has made regarding the calculation of revenue in accordance with the CEWS program rules.
11. I acknowledge that the CEWS program rules authorize the CRA to publish the names of CEWS applicants.
12. I make this attestation acknowledging that making a false attestation is a criminal offence, and that the CEWS program rules and other rules under the *Income Tax Act* contain serious penalties and consequences for intentional or grossly negligent false statements and other misconduct.

Checkbox that you acknowledge

Name & Phone Number