



Canada Emergency Wage Subsidy (CEWS), as of July 13, 2020

Legislation Overview

Large Business Audit Division, ILBD

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INTRODUCTION AND OVERVIEW

Introduction

- The Canada Emergency Wage Subsidy (“CEWS” or “the subsidy”) was enacted by BILL C-14 2020 COVID-19 Emergency Response Act, No. 2 (S.C. 2020, c. 6) which received Royal Assent on April 11, 2020.
- The purpose of the program is to help employers keep and return workers to their payroll through the challenges posed by the COVID-19 pandemic.

CRA CEWS information sources

<https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy.html>

- [C-13 RA](#) March 25, 2020
 - [Reg. 111](#) – May 13, 2020
- [C-14 RA](#) April 11, 2020
 - [Reg. 8901.1](#) – May 13, 2020
- Department of Finance Backgrounders dated [April 11, 2020](#) and [May 15, 2020](#).
- [FAQ](#), [Application Guide](#), and [CEWS Calculator](#)
- Bill [C-17](#) tabled June 10, 2020.
- [IRD database](#)

Basic structure of the CEWS

“Qualifying revenue”

- The subsidy is available to an eligible entity that saw a decline of at least 15% of its qualifying revenue in March 2020 and 30% in each of April and May 2020 compared to a prior reference period.
- The percentage decline in qualifying revenue for the subsequent periods has yet to be announced.
- It is not necessary to show that the qualifying revenue decline is related to the COVID-19 pandemic.
- Generally, qualifying revenue arises from ordinary activities in Canada excluding non arm's-length sources.

Basic structure of the CEWS

“Qualifying periods”

- The program provides a wage subsidy on the eligible remuneration paid by an eligible entity that qualifies, to each eligible employee for a qualifying period.
- Three four-week qualifying periods, beginning March 15, 2020 and ending June 6, 2020.
- Additional qualifying periods may be added, ending no later than September 30, 2020.
- On May 15, 2020, three additional qualifying periods were announced, extending the program to August 29, 2020.

Basic structure of the CEWS

“Subsidy calculation”

- Generally, the subsidy amount is 75% of remuneration paid, to a maximum of \$847 per week.
- The subsidy is not available in respect of newly hired non-arm's length employees.
- The details of the calculation will be discussed later in this course.

Basic structure of the CEWS

“Key provisions”

- The subsidy is computed under subsection 125.7(2), which also deems the subsidy to be an overpayment on account of the qualifying entity's Part I tax liability.
- This deemed overpayment is included in amended paragraph 152(1)(b).
- Refund under subsection 164(1.6)
- Subsection 164(1.61) applies to partnerships
- Definitions used for the purpose of the CEWS subsidy are found in subsection 125.7(1).

Basic structure of the CEWS

“Applications”

- Applications are made using the CRA's My Business Account portal, or a web-based application located at the “How to apply” link on the website shown on slide 5.
- Among the conditions to be met in applying for the subsidy, the individual principally responsible for the financial activities of the entity has to attest that the application was complete and accurate in all material respects.
- Applications can be amended after submission.

QUALIFYING FOR THE CEWS

Subsection 125.7(1)

“eligible entity” means

- (a) a corporation, other than a corporation exempt from tax under Part I,
- (b) an individual (including a trust),
- (c) a registered charity,
- (d) certain tax-exempt entities because of paragraph 149(1)(e), (j), (k) or (l),
- (e) a partnership, each member of which is an eligible entity, or
- (f) a prescribed organization.

A public institution is not an eligible entity.

Prescribed organizations found in paragraphs (a) – (f) of Regulation 8901.1

(a) - (c) Certain Indigenous government-owned corporations carrying on a business, and partnerships where the partners are an Indigenous government and eligible entities.

(d) partnerships where interests held by non-eligible entities do not exceed 50 percent of the fair market value of all interests in the partnership throughout the qualifying period.

(e) a registered Canadian amateur athletic association or a registered journalism organization.

(f) person or partnership that operates a private school or private college.

Tax-exempt trusts announced May 15, 2020

- Trusts with employees may be eligible for the CEWS, subject to the following added exceptions:
 - In cases where the trust is a tax-exempt entity (other than a public institution), it would qualify only if it is a registered charity or one of the other types of eligible tax-exempt entities.
 - In cases where the trust is a public institution, it would qualify only if it is a prescribed organization.

Subsection 125.7(1) a “qualifying entity” is an eligible entity that:

- (a) makes an application for the qualifying period in prescribed form and manner before October 2020
- (b) the individual who has principal responsibility for the eligible entity's financial activities attests that the application mentioned above is complete and accurate in all material respects
- (c) experienced the required reduction in revenue for one or more qualifying period
- (d) had an open payroll program account on March 15, 2020

Paragraph (c) of the definition of “qualifying entity”

- Paragraph (c) of the definition of “qualifying entity” requires the **qualifying revenue** for the **current reference period** be equal to or less than the **specified percentage** of its **qualifying revenue** for the **prior reference period**.

Relevant periods

Qualifying Period	Specified Percentage	Current and Prior reference period under the general approach	Current and Prior reference periods under the alternative approach
March 15 to April 11, 2020	85%, meaning a 15% decline	March 2020 over March 2019	March 2020 over average of January and February 2020
April 12 to May 9, 2020	70% meaning a 30% decline	April 2020 over April 2019	April 2020 over average of January and February 2020
May 10 to June 6, 2020	70% meaning a 30% decline	May 2020 over May 2019	May 2020 over average of January and February 2020

Example – Alternative Approach

- Entity began operations January 14, 2020.
- Total qualifying revenues earned in January and February 2020 was \$90,000.
 - Average qualifying revenue for the two months \$57,447 [$0.5 \times 90,000 \times (60/47)$].
- Qualifying revenue for March 2020 is \$39,600.
- $\$39,600 / \$57,447 = .689$ or 68.9%
- Specified percentage = 85%
- 68.9% is less than 85% therefore the revenue test has been met.

Subsection 125.7(9) - Deemed to qualify

- An eligible entity meeting the revenue test in paragraph (c) of the definition of “qualifying entity” in subsection 125.7(1) in respect of a particular period is deemed to meet the revenue test for the immediately following qualifying period.
- It is not deemed to meet the revenue test for the second following period.

Amalgamations

- Bill C-17 includes proposed legislation that allows corporations formed on an amalgamation of two or more predecessor corporations under ss. 87(2) (or where a corporation is wound up into another on a tax-deferred basis (ss. 88(1)), to compute their qualifying revenue for the relevant reference period using their combined revenues.
- This does not apply if it is reasonable to consider that one of the main purposes for the amalgamation (or the winding up) is to qualify for the CEWS.

RULES FOR QUALIFYING REVENUE

Subsection 125.7(1)

“Qualifying revenue” preamble

- The inflow of cash, receivables or other consideration arising in the course of the ordinary activities of the eligible entity — generally from the sale of goods, the rendering of services and the use by others of resources of the eligible entity — in Canada in the particular period,

Qualifying revenue paragraphs (a) & (b)

- Paragraph (a) refers to eligible entities that are registered charities and paragraph (b) refers to certain eligible entities that are tax-exempt.
- For registered charities, revenue from a related business (as defined in subsection 149.1(1)), gifts, and other amounts received in the course of ordinary activities are included in qualifying revenue
- For tax-exempt entities, membership fees and other amounts received in the course of ordinary activities are included in qualifying revenue

Qualifying revenue exclusions paragraph (c)

The CRA generally expects an extraordinary item to meet all three of the following characteristics:

1. Are not expected to occur regularly or frequently within several years.
2. Are not typical of the normal activities or risks inherent in the normal operations of the entity, and
3. Are primarily out of the control of owners or management.

Qualifying revenue exclusions paragraph (d)

Revenue from non-arm's length parties

- Where persons are not related to each other, the arm's length determination is a question of fact.
- Each transaction or series of transactions must be examined on its own merits, in light of all the facts and circumstances of that particular situation.

Qualifying revenue exclusions paragraph (d) and partnerships

Income Tax Folio S1-F5-C1, “Related Persons and Dealing at Arm's Length” provides guidance.

Link [Income Tax Folio S1-F5-C1 Related Persons and Dealing at Arm's Length](#)

The determination of whether a partnership is dealing at arm's length with a person who is not a partner will generally be made on the basis of the relationship of the directing minds of the partnership and the person at the relevant time.

Qualifying revenue exclusions paragraph (e)

- The definition of “qualifying revenue” excludes the CEWS itself and the 10% Temporary Wage Subsidy for Employers that was enacted by Bill C-13 and which received Royal Assent on March 25, 2020.

Sub section 125.7(4)

Computation rules for “qualifying revenue”

Qualifying revenue is to be determined in accordance with the entity's normal accounting practices. However, certain special rules apply.

- (a) Special rule for consolidated groups
- (b) Special rule for affiliated groups
- (c) Special rule for joint ventures
- (d) Special rule for taxpayers that derive all or substantially all of their revenue from non-arm's length persons or partnerships
- (e) Can elect to use cash method.

Paragraph (a) of subsection 125.7(4)

Consolidated group

- Where a group of eligible entities generally prepare consolidated financial statements in accordance with their normal accounting practices, each entity in the group will normally determine its qualifying revenue in accordance with those consolidated statements. However, under paragraph 125.7(4)(a), the members of the consolidated group may alternatively determine their qualifying revenues separately. To use this alternative method, every member of the group must determine its qualifying revenue on that separate basis.

Example Paragraph (a) of subsection 125.7(4)

	Qualifying Revenue March 2019	Qualifying Revenue March 2020		Specified Percentage
Corp A	\$1,000,000	\$1,000,000	1.0 or 100% (0% decline)	.85 or 85%
Corp B	\$1,000,000	\$800,000	0.8 or 80% (20% decline)	.85 or 85%
Consolidated	\$2,000,000	\$1,800,000	0.90 or 90% (10% decline)	.85 or 85%

Paragraph (b) of subsection 125.7(4)

Affiliated group

- Under paragraph 125.7(4)(b), if an eligible entity and each member of an affiliated group of eligible entities of which the eligible entity is a member jointly **elect**, the qualifying revenue of the affiliated group, determined on a consolidated basis in accordance with relevant accounting principles, is to be used for each member of the group. This rule applies even if one or more members of an affiliated group may have no revenue to report in the qualifying period.

Example Paragraph (b) of subsection 125.7(4)

	Qualifying Revenue March 2019	Qualifying Revenue March 2020		Specified Percentage
Corp A	\$200,000	\$200,000	1.0 or 100% (0% decline)	.85 or 85%
Corp B	\$200,000	\$100,000	0.5 or 50% (50% decline)	.85 or 85%
Consolidated	\$400,000	\$300,000	0.75 or 75% (25% decline)	.85 or 85%

Paragraph (c) of subsection 125.7(4)

Joint venture

- Under paragraph 125.7(4)(c), if all of the interests in an eligible entity are owned by participants in a joint venture and all or substantially all of the qualifying revenue of the eligible entity is in respect of the joint venture, then the eligible entity may use the qualifying revenues of the joint venture (determined as if the joint venture were an eligible entity), instead of its qualifying revenues, to determine if it experienced the required reduction in revenue in order to qualify for the wage subsidy.

Paragraph (d) of subsection 125.7(4) All or substantially all NALQR

- This provision may apply where an eligible entity derives all or substantially all of its qualifying revenue from one or more particular persons or partnerships with which it does not deal at arm's length.
- If the eligible entity and each of these particular persons or partnerships with which it does not deal at arm's length jointly **elect**, the eligible entity's qualifying revenue for the prior reference period is deemed to be \$100 and a weighted-average approach is used to determine qualifying revenue for the current reference period.

Example – Corp X

- Total revenue for March 2020:
 - \$400 from non-arm's length Corp Y
 - \$1,000 from non-arm's length Corp Z
 - \$50 arms length
- $\$1,400 / 1,450 = 96.6\% = \text{“all or substantially all”}$
- Corporation Y's qualifying revenue for March 2020 was \$1,000 and for March 2019 was \$1,500.
- Corporation Z's qualifying revenue for March 2020 was \$1,300 and for March 2019 was \$2,000.

Qualifying revenue – Corp X

Qualifying revenue calculation

- In relation to Corporation Y:
 - $\$100 \times \$400 / \$1,400 \times \$1,000 / \$1,500$
 - $= 19$
- In relation to Corporation Z:
 - $\$100 \times \$1,000 / \$1,400 \times \$1,300 / \$2,000$
 - $= 46$
- Weighted average is \$65 (\$19+\$46)
- $65 / 100 = 65\%$ which is less than 85% specified %

Paragraph (e) of subsection 125.7(4)

- If the normal accounting practice of an eligible entity is the accrual method, the entity may elect to calculate its qualifying revenue under the cash method as described in subsection 28(1) of the ITA, but not a combination of both.
- Where the eligible entity normally determines its qualifying revenue under the cash method, it cannot elect to use the accrual method.
- The election applies for all qualifying periods.

CALCULATING THE WAGE SUBSIDY

Sub section 125.7(2) computation

- The amount of the subsidy is provided by the formula found in sub section 125.7(2), which is:

$$A - B - C + D$$

- Where
 - A - basic subsidy
 - B - 10% Temporary Wage Subsidy for Employers amount
 - C - EI work-sharing benefit amount
 - D - refund of employer paid CPP, EI, QPP and QPIP premiums for employees on leave with pay.
- Paragraph 125.7(5)(b) applies if employee works for two or more qualifying non-arm's length entities.

Variable A basic subsidy amount

- Variable A represents the total of all amounts, each of which is for an eligible employee in respect of a week in a qualifying period, equal to the greater of:
 - (a) the least of:
 - 75% of the **eligible remuneration** paid to the eligible employee in respect of that week,
 - \$847, and
 - Nil, if the eligible employee is non-arm's length with the eligible entity, and
 - (b) the least of:
 - eligible remuneration paid to the eligible employee in respect of that week,
 - \$847, and
 - 75% of the eligible employee's **baseline remuneration** determined for that week.

Eligible remuneration

- Eligible remuneration of an eligible employee means amounts actually paid to the employee as salary, wages, and other remuneration, certain taxable benefits, fees, commissions or other amounts paid for services. These are amounts for which an eligible entity would generally be required to make payroll deductions to be remitted to the CRA.
- Retiring allowances and stock option benefits under paragraphs 7(1)(a) to (d.1) are specifically excluded from the definition of eligible remuneration by virtue of paragraphs (a) and (b).

Baseline remuneration

- In respect of an eligible employee of an eligible entity, baseline remuneration means the average weekly eligible remuneration paid to the eligible employee by the eligible entity during the period that begins on January 1, 2020 and ends on March 15, 2020, excluding any period of seven or more consecutive days for which the employee was not remunerated.

Baseline remuneration changes Bill C-17

- An alternative method for determining baseline remuneration was announced on May 15, 2020. This allows entities to choose one of two periods when calculating the baseline remuneration of their employees.
 - average weekly remuneration paid to the employee from January 1 to March 15 of 2020 or,
 - average weekly remuneration paid to the employee from March 1 to May 31 of 2019,
 - in both cases excluding any period of seven or more consecutive days without remuneration.

Variable A – basic subsidy is equal to greater of paragraph (a) and (b)

- The subsidy is computed on an employee-by-employee and week-by-week basis.
- The basic subsidy amount for a particular eligible employee for a particular week is equal to the greater of the amounts determined under paragraph (a) of Variable A and paragraph (b) of Variable A in subsection 125.7(2).

Example arm's length employees

- XYZ Ltd. has three employees. The weekly baseline remuneration and eligible remuneration paid in respect of each week of a qualifying period to each is as follows:
- Employee # 1 \$1,200/week baseline
- Employee # 2 \$1,000/week baseline
- Employee # 3 \$500/week baseline
- Employee # 1 \$1,200/week eligible
- Employee # 2 \$750/week eligible
- Employee # 3 \$500/week eligible

Paragraph (a) amount

Variable A Greater of (a) and (b)	Employee #1	Employee #2	Employee #3
(a) Is the least of:	\$847	\$562.50	\$375
(a)(i) 75% of eligible remuneration	\$1,200 x 75% = \$900	\$750 x 75% = \$562.50	\$500 x 75 = \$375
(a)(ii) \$847	\$847	\$847	\$847
(a)(iii) nil if employee not at arm's length	Not applicable to arm's length employees	Not applicable to arm's length employees	Not applicable to arm's length employee

Paragraph (b) amount and comparison

Variable A Greater of (a) and (b)	Employee #1	Employee #2	Employee #3
(a) Is the least of:	\$847	\$562.50	\$375
(b) Is the least of:	\$847	\$750	\$375
(b)(i) eligible remuneration paid	\$1,200	\$750	\$500
(b)(ii) 75% of baseline remuneration	\$900	\$750	\$375
(b)(iii) \$847	\$847	\$847	\$847
4 week total	\$847 x 4 = \$3,388	\$750 x 4 = \$3,000	\$375 x 4 = \$1,500

Example non-arm's length employee

- Katherine is the owner/manager of XYZ Inc.
- XYZ Inc. is a qualifying entity.
- The baseline weekly remuneration that XYZ Inc. paid to Katherine was:
 - Scenario #1 \$500.
 - Scenario #2 \$0.
- Katherine also normally receives a dividend of \$2,000 per month from XYZ Inc.
- For each of the four weeks in a particular qualifying period, XYZ paid eligible remuneration to Katherine of \$700 per week.

Example non-arm's length employee

Variable A greater of (a) and (b)	Scenario #1	Scenario #2
Least of (a) (i), (ii) and (iii)	NIL by virtue of (a) (iii)	NIL by virtue of (a) (iii)
Least of (b) (i), (ii) and (iii)	\$375	\$0
(b) (i) eligible remuneration paid	\$700	\$700
(b) (ii) 75% of base line remuneration	$75\% \times \$500 = \375	$75\% \times \$0 = 0$
(b) (iii) \$847	\$847	\$847
4 week total	$\$375 \times 4 = \$1,500$	\$0

Variable B 10% Temporary Wage Subsidy for Employers

- The 10% Temporary Wage Subsidy for Employers was enacted by Bill C-13 (RA March 25, 2020).
- Amount is computed under subsection 153(1.02) without the need to file an application.
- Eligible employers calculate the subsidy and reduce the amount of payroll deductions required to be remitted to the CRA by up to 10% of remuneration paid to eligible employees from March 18 to June 19, 2020, to a maximum of \$1,375 per eligible employee and \$25,000 per eligible employer.

Example 10% Temporary Wage Subsidy for Employers

- Assume that the 10% Temporary Wage Subsidy for Employers using the 10% rate is \$2,050 on remuneration paid from April 12 to May 9, 2020.
- \$1,050 of federal, provincial, or territorial income tax withheld from employees for that period.
- The eligible employer can reduce a future payroll remittance by \$1,000 in respect of the balance even if that remittance is in respect of remuneration paid after May 9, 2020.
- The CEWS claim for the same period is reduced by the entire amount of \$2,050.

Variable C work-sharing program

- On March 18, 2020, the Government announced an extension of the maximum duration of the work-sharing program from 38 weeks to 76 weeks for employers affected by COVID-19.
- Under Variable C of the formula found in subsection 125.7(2), employment insurance benefits received by eligible employees for each week in the qualifying period through the Work-Sharing program reduce the benefit that a qualifying entity is entitled to receive in respect of that employee under the CEWS.

Variable D additional subsidy of certain source deductions

- Variable D reflects an additional subsidy that is equal to 100 percent of certain employer-paid or payable contributions for eligible employees for each week in the qualifying period throughout which those employees are on leave with pay.
- If a re-hired employee performs any work for the entity in a week during a qualifying period, the entity will not be entitled to claim a refund of employer contributions to CPP and EI.

Example

- Alpha Ltd. is a qualifying entity for the CEWS and also qualifies for the 10% Temporary Wage Subsidy for Employers.
- An arm's length employee is on paid leave beginning March 15, 2020.
- Base line remuneration \$500/week.
- Eligible remuneration \$300/week.
- Alpha Ltd. withholds \$40/week from the employee in respect of the employee's income tax on the \$300 paid.
- It elects to reduce its remittances by the full amount of the 10% Temporary Wage Subsidy for Employers.

Example

Variable A greater of (a) and (b):		
Least of:		
(a)(i) 75% eligible remuneration	\$225	\$225
(a)(ii) \$847	\$847	
(a)(iii) nil if non-arm's length	N/A	
Least of:		
(b)(i) eligible remuneration	\$300	\$300
(b)(ii) 75% base line remuneration	\$375	
(b)(iii) \$847	\$847	
Variable B $10\% \times \$300 = \30		(\$30)
Variable C		N/A
Variable D		
$(CPP 5.25\% \times \$300) + (EI 2.212\% \times \$300)$		\$22.35
Total under subsection 125.7(2)/week		\$292.35



ADDITIONAL CONSIDERATIONS

Overpayment of tax, government assistance and refund

- Subsection 125.7(2): CEWS is deemed to be an **overpayment** on account of the qualifying entity's Part I **tax** liability for the taxation year in which the qualifying period ends.
- Subsection 125.7(3): The deemed overpayment is **government assistance** received by the qualifying entity immediately before the end of the qualifying period to which it relates. The CEWS is included in income under paragraph 12(1)(x).
- Subsection 164(1.6) [164(1.61) for partnerships]: The Minister may **refund** to the taxpayer all or part of the deemed overpayment, **at any time** after the beginning of the taxation year.

No t i c e o f D e t e r m i n a t i o n

Pa r a g r a p h 152(1)(b)

Under subsection 152(1), the Minister shall, ..., examine a taxpayer's return of income for a taxation year, **assess** the tax for the year, the interest and penalties, if any, payable and **determine**

(a) the amount of refund, if any, to which the taxpayer may be entitled by virtue of section 129, 131, ..., for the year; or

(b) the amount of **tax**, if any, **deemed** by subsection 120(2) or ... 125.7(2) ... to be **paid on account** of the taxpayer's Part I tax payable **for the year**.

Anti-avoidance and penalties

- Under paragraph (c) of the definition of “eligible remuneration,” certain amounts paid to employees that will be paid or returned to the entity are not included in the definition of “eligible remuneration.”
- Under paragraph (d) of the definition of “eligible remuneration,” amounts paid during the qualifying period(s) in excess of the employee’s baseline remuneration may be excluded from “eligible remuneration” if one of the reasons for the increased remuneration is to increase the entity’s claim for the CEWS and after the qualifying period, the eligible employee is reasonably expected to be paid a lower weekly amount than their baseline remuneration..

Anti-avoidance and penalties

- Subsection 125.7(6) applies if the eligible entity (or non-arm's length person or partnership) engages in transactions or events or takes an action that results in reducing the qualifying revenue and it is reasonable to conclude that one of the main purposes is to qualify for the CEWS.
- If it applies, the qualifying revenue in the current reference period is deemed to be equal to the qualifying revenue in the prior reference period.
- As a result, there will be no decline in qualifying revenue for the current reference period and the entity will not be eligible for the CEWS for that period.

Books and records

- Applicants are required to maintain adequate books and records to ensure that their claims are accurate and complete, and clearly support their eligibility for the CEWS for a qualifying period.

Department of Finance Public Consultation

- The Department of Finance sought feedback from the public on possible changes to the CEWS.
- The period of consultation closed on June 5, 2020.
- Future amendments to the CEWS legislation are possible.

Questions?

Pages 000170 to 000182 are protected

Wage subsidy calculation

Version 2020-5 June 8, 2020

Calculate the amount of eligible wage subsidy (before deductions) to input for step 2 at [Calculate your subsidy amount at Canada.ca/calculate-wage-subsidy](https://canada.ca/calculate-wage-subsidy)

1 Choose the period for which you are calculating the wage subsidy

Select -> **April 12 to May 9 2020**

Technical issues: You might need to 'enable editing' on your spreadsheet software before you can select a claim period

2 Optional: complete the batch calculations

You may use the "Batches" sheet for employees who:

- earned \$1,129.33 per week or more, or
- earned \$1,129.32 per week or less, but had no reduction in pay since March 15th

Employees included in the batches **should not be repeated** in the "Weekly (52)" or "Bi-weekly (every 2 weeks)" sheets

If you are not sure if an employee should be included on the "Batches" sheet, do not include them there.

For all eligible employees that you did not include on the "Batches" sheet, **go to step 3**

3 Complete the sheet (tab below) that describes the pay period you use for payroll deductions: "Weekly (52)" or "Bi-weekly (every 2 weeks)"

This spreadsheet is a way to calculate the basic Canada Emergency Wage Subsidy (CEWS) for the most common pay periods. If you use multiple pay periods (e.g. your part-time and occasional employees are paid on a weekly basis and your full-time employees are paid on a bi-weekly basis), you may split information between both tabs accordingly.

Use 'Weekly (52)' for the following circumstances (and adjust your payroll figures accordingly):

- If you use an alternative pay period, such as monthly, or
- For employees who work variable hours or did not work the same number of hours in each week of the claim period.

Any period of 7 or more consecutive days for which an employee was not paid between January 1 and March 15, 2020, such as unpaid leave from work, should be omitted from the average baseline pay.

4 After you've completed the weekly and/or bi-weekly calculation tab(s), the "Values to use in step 2c" will appear below. Use these amounts to complete section 2 on the Canada.ca calculator and continue through the rest of the steps to determine your actual CEWS amount.

[Canada.ca wage subsidy calculator \(canada.ca/calculate-wage-subsidy\)](https://canada.ca/calculate-wage-subsidy)

Values to use in step 2c
on Canada.ca:

Total number of eligible employees April 12 to May 9 2020	Total eligible remuneration April 12 to May 9 2020	Total basic CEWS April 12 to May 9 2020
2	\$6,000.00	\$4,500.00

The basic CEWS calculated in this spreadsheet does not include all deductions. Continue through the rest of the steps at the Canada.ca calculator for the actual CEWS amount.

5 Save or print a copy of this spreadsheet for your records.

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Optional calculations in batches

Batch 1

This section is for your employees who earned \$1,129.33 or more for each week of the claim period April 12 to May 9 2020

If the employee is **not at arm's length**, they must also have earned an average of \$1,129.33 per week or more between January 1 and March 15, 2020

Employees included here **should not be repeated** in the "Weekly (52)" or "Bi-weekly (every 2 weeks)" sheets

	Number of employees (\$1,129.33/week or more)	Total gross payroll amount for all employees in batch April 12 to May 9 2020	Claim period total for category*
Employees who qualify for the weekly maximum of \$847			\$0.00

Arm's-length: Generally, an arm's length employee includes any employee who does not own the business (or in the case of a corporation, have a controlling interest in the corporation) and is not a member of that person's immediate family.

Non-arm's length (not at arm's length): A non-arm's length employee is someone who owns the business (or in the case of a corporation, have a controlling interest in the corporation) or is part of that person's immediate family.

Batch 2

This section is for your arm's length employees who earned \$1,129.32 or less for each week of the claim period April 12 to May 9 2020 and had no reduction in pay since March 15th

Employees included here **should not be repeated** in the "Weekly (52)" or "Bi-weekly (every 2 weeks)" sheets

	Number of employees (no reduction in pay since March 15th)	Total gross payroll amount for all employees in batch April 12 to May 9 2020	Claim period total for category*
Employees that qualify for 75% of their total gross payroll			\$0.00

Totals: Final values to input at step 2c on Canada.ca are displayed on the "Instructions and results" sheet after completion

Eligible employees	Employee at arm's length: yes/no	Average weekly gross pay Jan 1 to Mar 15 2020	Weekly gross pay in respect of the claim period				Employee amount (calculated)				Claim period total for employee
			Week 1 April 12 to April 18	Week 2 April 19 to April 25	Week 3 April 26 to May 2	Week 4 May 3 to May 9	Week 1 April 12 to April 18	Week 2 April 19 to April 25	Week 3 April 26 to May 2	Week 4 May 3 to May 9	
An eligible employee is an individual employed in Canada by you (the eligible employer) during the claim period, except if there was a period of 14 or more consecutive days in that period in respect of which they were not paid eligible remuneration by you.	Arm's-length: Generally, an arm's length employee includes any employee who does not own the business (or in the case of a corporation, have a controlling interest in the corporation) and is not a member of that person's immediate family. Non-arm's length (not at arm's length): A non-arm's length	Any period of 7 or more consecutive days for which an employee was not paid between January 1 and March 15, 2020, such as unpaid leave from work, should be omitted from the average baseline pay.									Columns B through G must be completed before this field calculates. The basic CEWS calculated in this spreadsheet does not include all deductions. Continue through the rest of the steps at the Canada.ca calculator for the actual CEWS amount.
Employee 2	yes	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$750.00	\$750.00	\$750.00	\$750.00	\$3,000.00
Employee 3	yes	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$375.00	\$375.00	\$375.00	\$375.00	\$1,500.00
							\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
							\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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Totals: Final values to input at step 2c on Canada.ca are displayed on the "Instructions and results" sheet after completion

Eligible employees	Employee at arm's length: yes/no	Average bi-weekly gross pay Jan 1 to Mar 15 2020	Bi-weekly gross pay in respect of the claim period		Employee amount (calculated)		Claim period total for employee
			2-week period 1	2-week period 2	2-week period 1	2-week period 2	
An eligible employee is an individual employed in Canada by you (the eligible employer) during the claim period, except if there was a period of 14 or more consecutive days in that period in respect of which they were not paid eligible remuneration by you.	Arm's-length: Generally, an arm's length employee includes any employee who does not own the business (or in the case of a corporation, have a controlling interest in the corporation) and is not a member of that person's immediate family. Non-arm's length (not at arm's length): A non-arm's length	Any period of 7 or more consecutive days for which an employee was not paid between January 1 and March 15, 2020, such as unpaid leave from work, should be omitted from the average baseline pay.	April 12 to April 25	April 26 to May 9	April 12 to April 25	April 26 to May 9	Columns B through G must be completed before this field calculates. The basic CEWS calculated in this spreadsheet does not include all deductions . Continue through the rest of the steps at the Canada.ca calculator for the actual CEWS amount.
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00
					\$0.00	\$0.00	\$0.00