



Nisga'a Lisims Government

In Collaboration with **MNP**<sup>LLP</sup>

# COVID-19 Government Support Info

## CANADA EMERGENCY WAGE SUBSIDY (CEWS)

Created May 15, 2020

### Background

The CEWS is a wage subsidy that aims to prevent further job losses, and encourage employers to re-hire workers previously laid off as a result of COVID-19. The subsidy is also meant to support Canadian companies and other employers with resuming normal operations following the pandemic. This wage subsidy will help employers keep and return workers to their payroll through the challenges posed by the COVID-19 pandemic.

Eligible Canadian employers whose business has been affected by COVID-19 can apply for a subsidy that would be the greater of:

- 75 per cent of the amount of remuneration paid, up to a maximum benefit of \$847 per week; and
- the amount of remuneration paid, up to a maximum benefit of \$847 per week or 75 per cent of the employee's pre-crisis weekly remuneration, whichever is less.

Initially, this program was only for a period between March 15 and June 6, 2020. On May 15, the Prime Minister announced that **the current end date is being extended to August 29, 2020** (from June 6.), and a number of changes to the list of eligible employers including confirmation that **Indigenous-owned businesses are eligible.**

### Key Points

#### Eligible employers

- individuals (including trusts)
- taxable corporations
- persons that are exempt from corporate tax (Part I of the Income Tax Act), other than public institutions:
  - non-profit organizations
  - agricultural organizations
  - boards of trade
  - chambers of commerce
  - non-profit corporations for scientific research and experimental development
  - labour organizations or societies
  - benevolent or fraternal benefit societies or orders
- registered charities
- partnerships consisting of eligible employers
- Partnerships that are up to 50-per-cent owned by non-eligible members



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- **Indigenous government-owned corporations that are carrying on a business, as well as partnerships where the partners are Indigenous governments and eligible employers**
- Registered Canadian Amateur Athletic Associations
- Registered Journalism Organizations
- Non-public colleges and schools, including institutions that offer specialized services, such as arts schools, driving schools, language schools or flight schools

Public institutions are **not eligible** for the subsidy. This includes municipalities and local governments, Crown corporations, public universities, colleges, schools and hospitals.

### Where do Nisga'a Businesses Fit In?

**The government is extending eligibility for the CEWS to include Indigenous government-owned corporations** that are carrying on a business and are tax-exempt under paragraph 149(1)(d.5) of the *Income Tax Act*, as well as their wholly-owned subsidiaries that are carrying on a business and are tax-exempt under paragraph 149(1)(d.6) of the *Income Tax Act*. As well, partnerships where each partner of the partnership is either an Indigenous government or an eligible employer will be eligible entities for purposes of the CEWS. This rule is in addition to the rule for partnerships outlined above. Indigenous governments would include First Nation bands, self-governing Indigenous governments and other comparable Indigenous governing bodies.

Nisga'a businesses in this context are:

- Corporations carrying on a business that are at least 90 percent owned by Nisga'a citizens, Indigenous citizens, and/or more Indigenous governments
- Sole proprietors carrying on a business owned by Nisga'a citizens
- Partnerships carrying on a business owned by Nisga'a citizens
- Eligible Indigenous government-owned corporations and other eligible employers

With this understanding, Nisga'a businesses are now eligible for the CEWS.

**This change is retroactive to April 11, 2020, which means that it applies to the first qualifying period starting March 15, 2020 and subsequent qualifying periods.**

Full details on eligibility, application requirements, and the application process are available here:

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

May 15 full release: <https://www.canada.ca/en/department-finance/news/2020/05/extending-eligibility-for-the-canada-emergency-wage-subsidy.html>



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## Revenue Requirements and Eligibility Periods

Period dates	Baseline revenue	Eligibility period revenue	Required reduction
March 15, 2020 to April 11, 2020	<ul style="list-style-type: none"><li>March 2019, or</li><li>Average of January and February 2020</li></ul>	March 2020	15%
April 12, 2020 to May 9, 2020	<ul style="list-style-type: none"><li>April 2019, or</li><li>Average of January and February 2020</li></ul>	April 2020	30%
May 10, 2020 to August 29, 2020	<ul style="list-style-type: none"><li>May 2019, or</li><li>Average of January and February 2020</li></ul>	May 2020	30%

## How to Apply

Applications must be made through [My Business Account](#) on the CRA website. Businesses can also designate a representative to complete the application on their behalf (restrictions apply.)