

COVID-19 UPDATE AND INFORMATION BULLETIN – APRIL 1, 2020

By James D. Kondopulos and Jennifer Hogan

In our [March 30, 2020 bulletin](#), we reviewed the federal government's Canada Emergency Wage Subsidy. We detailed which businesses are eligible for the subsidy (businesses that have experienced a decline in revenue of 30 percent or more due to the COVID-19 pandemic), the maximum entitlement an eligible business can expect to receive (75 percent of wages on the first \$58,700 in earnings or a maximum of \$847 per week) and the effective date of the subsidy (March 15, 2020).

Today, Finance Minister Bill Morneau provided further details about when the subsidy will be available and how it will be delivered to employers. In a press conference this morning, Minister Morneau clarified that the subsidy will be available to eligible businesses in approximately six weeks. A business must apply for the subsidy each month.

Unlike the Temporary Wage Subsidy for Employers, which allows eligible businesses to reduce the amount of payroll deductions required to be remitted to the Canada Revenue Agency (CRA), the Canada Emergency Wage Subsidy will be administered to eligible businesses in the form of a monthly reimbursement. A business must show the pre-pandemic income of an employee and that it has paid that employee 75 percent of his or her wages up to the maximum of \$847 per week. The federal government will then reimburse the business for this amount. The government is encouraging all businesses to sign up for direct deposit so they can receive this reimbursement as quickly as possible.

Minister Morneau also commented on how businesses can demonstrate that they have suffered a decline in revenue of 30 percent or more as a result of the COVID-19 pandemic. For established businesses, the appropriate revenue comparison will be, for example, March 2019 to March 2020. While the government is still working out the appropriate revenue comparison for businesses that have been operating for less than one year, Minister Morneau suggested that one way for businesses to determine if they are eligible for the subsidy may be to compare their February 2020 revenue with their March 2020 revenue. The Minister advised that the government will provide administrative details to business owners "as rapidly as possible" as it works to make the CRA system operational. We accordingly expect to have more clarity about how businesses can determine if they are eligible for the subsidy in the coming days.

Minister Morneau also clarified whether eligible businesses are required to pay the remaining 25 percent of an employee's wages. While a failure to pay the remainder will not disentitle a business from receiving the subsidy (some businesses might not be able to pay the amount),



the Minister communicated the government's expectation that businesses will do everything they reasonably can to pay the remainder of the wages. Indeed, businesses will have to attest to this when they apply for the subsidy.

Minister Morneau was deliberate in highlighting the purpose of the Canada Emergency Wage Subsidy throughout this morning's press conference – i.e. to help workers stay employed. Eligible businesses should, in the words of the Minister, "get ready to rehire people".

A link to today's Department of Finance press release regarding the Canada Emergency Wage Subsidy can be found here:

<https://www.canada.ca/en/department-finance/news/2020/04/government-announces-details-of-the-canada-emergency-wage-subsidy-to-help-businesses-keep-canadians-in-their-jobs.html>

Canada Emergency Response Benefit

Today, the federal government also released additional details regarding the Canada Emergency Response Benefit (CERB). As outlined in an [earlier Roper Greyell bulletin](#), the CERB is part of the government's three-point economic plan to protect jobs, help people who have been laid off, and support business through this unprecedented time.

Individuals will be able to apply for CERB benefits on April 6, 2020. Those with direct deposit can expect to receive the funds within five business days.

Prime Minister Justin Trudeau clarified that individuals who are receiving wage subsidies under the Canada Emergency Wage Subsidy program will not be eligible for the CERB. The Canada Emergency Wage Subsidy is aimed at protecting jobs, and the CERB is intended to help those who have been laid off and are without a pay cheque.

The federal government has updated its website today to reflect this additional information regarding the CERB:

<https://www.canada.ca/en/services/benefits/ei/cerb-application.htm>

Other News

British Columbia's Premier John Horgan and Energy Minister Bruce Ralston announced today that small businesses forced to shut down because of COVID-19 will be given a three-month "payment holiday" on electricity bills. This means that their bills for the months of April, May and June 2020 will be forgiven. BC Hydro will also give large industrial companies the option of deferring half of their bills for a three-month period of time. The application procedure is still being finalized but customers will have until the end of June to apply for relief.



Navigating COVID-19 in the Workplace

For further information regarding how to navigate the COVID-19 crisis and minimize its impact on your workplace, please review our previous bulletins on the [Roper Greyell COVID-19 resource page](#).

This document is current to the first half of the day on April 1, 2020. As with all of our previous COVID-19 updates and information bulletins, we caution that the pandemic and the responses of federal and provincial governments continue to evolve by the day and in some instances by the hour, and this may impact on the accuracy of the information in this document. We recognize that the guidance being provided by government authorities (and law firms) can be overwhelming. If you have any question at all regarding how you should address the COVID-19 problem, please do not hesitate to [contact us](#).

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