

April 6, 2020

COVID - 19 COMPARISON OF WAGE SUBSIDIES 10% AND 75%.

All details below subject to interpretation and forthcoming legislation and details below WILL change as more information come available.

	<u>10% announced March 2020</u>	<u>75% announced April 2020</u>												
1	Legislation passed	No legislation yet - only outline												
2	How much – 10% wages paid between March 18 and June 19 Maximums: - per employee \$1,375 during entire 3 months - per entity \$25000 during the entire 3 months	How much – Maximums: - per employee maximum \$847 per week for period March 15 to June 6 2020 - per entity no limits												
3	Specific periods for claiming: - reduce any payroll remittances post March 18 2020	Specific periods for reporting/claiming: <table border="0" style="margin-left: 40px;"> <thead> <tr> <th></th> <th><u>Claiming period</u></th> <th><u>Reference period for eligibility</u></th> </tr> </thead> <tbody> <tr> <td><u>Period 1</u></td> <td>Marc 5-April 11</td> <td>March 2020 over March 2019</td> </tr> <tr> <td><u>Period 2</u></td> <td>April 12-May 9</td> <td>April 2020 over April 2019</td> </tr> <tr> <td><u>Period 3</u></td> <td>May 10-June 6</td> <td>May 2020 over May 2019</td> </tr> </tbody> </table>		<u>Claiming period</u>	<u>Reference period for eligibility</u>	<u>Period 1</u>	Marc 5-April 11	March 2020 over March 2019	<u>Period 2</u>	April 12-May 9	April 2020 over April 2019	<u>Period 3</u>	May 10-June 6	May 2020 over May 2019
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4	Eligibility: - Canadian controlled private corporations ("CCPC") that has more than \$0 small business limit in it's last taxation year i.e. actually claimed more than \$0 small business deduction - An individual other than a trust - A partnership, all members of which are CCPC's, individuals or registered charities - A non-profit entity - A registered charity	Eligibility: - Taxable corporations - Individuals - Partnerships - A non-profit entity - A registered charity												
5	- No % revenue decline required	- Revenue declined by at least 30% compared with same month in prior year; Revenue must be from business carried on in Canada												
6	- No arms -length requirement for revenue	- Revenue must be from arms-length sources and not from "related" persons												
7	Eligible 10% amount is claimed by reducing remittance of income taxes but not CPP/EI portion of remittance	Eligible 75% amount is claimed through CRA website - likely starting in 6 weeks. Monthly claims required												
8	No details	Eligible 75% amount is reduced by any 10% credits claimed												

9	Each eligible company in an associated group can claim up to \$25,000	Each eligible company in an associated group has no limit
10	The amounts received are taxable	The amounts received are taxable
11	Associated groups with taxable capital in excess of \$15m will not be eligible	Associated groups - no limits
12	Must have had a CRA payroll number as of March 18 2020	Unknown
13	If the income tax remittance is insufficient to utilize the calculated subsidy, the unused subsidy will reduce payroll income tax remittances after June 20, 2020	Claims will be made online through CRA portal and no offset available against payroll remittances

General guidance
- Companies with revenue from non-arms length parties will not be eligible for 75% subsidy - no details on what % will disqualify. What about an integrated group of companies - e.g one manufactures, one sells etc.
- Claim 10% as soon as possible. If 75% then available the latter will be reduced by the initial 10% claim