

CANADA RECOVERY HIRING PROGRAM

The 2021 Budget proposes a new subsidy: the Canada Recovery Hiring Program (“**CRHP**”).

From June 6, 2021 to November 20, 2021, an eligible entity could claim the CRHP. Up until September 25, 2021, the CRHP is based on the same periods as for the Canada Emergency Wage Subsidy (“**CEWS**”) and the Canada Emergency Rent Subsidy (“**CERS**”). For the remaining periods, the CEWS and the CERS will no longer be in effect, but the CRHP periods will continue to consist of four weeks.

CRHP REFERENCE PERIODS IN PERIODS 17 TO 22			
	Qualifying Period	General Approach	Alternative Approach
Period 17	June 6, 2021 to July 3, 2021	June 2021 over June 2019 OR May 2021 over May 2019	June 2021 OR May 2021 over average of January and February 2020
Period 18	July 4, 2021 to July 31, 2021	July 2021 over July 2019 OR June 2021 over June 2019	July 2021 OR June 2021 over average of January and February 2020
Period 19	August 1, 2021 to August 28, 2021	August 2021 over August 2019 OR July 2021 over July 2019	August 2021 OR July 2021 over average of January and February 2020
Period 20	August 29, 2021 to September 25, 2021	September 2021 over September 2019 OR August 2021 over August 2019	September 2021 OR August 2021 over average of January and February 2020
Period 21	September 26, 2021 to October 23, 2021	October 2021 over October 2019 OR September 2021 over September 2019	October 2021 OR September 2021 over average of January and February 2020
Period 22	October 24, 2021 to November 20, 2021	November 2021 over November 2019 OR October 2021 over October 2019	November 2021 OR October 2021 over average of January and February 2020

CRHP would be available to employers that:

- Are eligible to the CEWS;
- Satisfy certain other status conditions- including, where the employer is a corporation, it is a Canadian-controlled private corporation (“**CCPC**”) (including a cooperative corporation that is eligible for the small business deduction) or, where the employer is a partnership, certain conditions on the composition of its partners. Other eligible employers would include individuals, non-profit organizations and registered charities; and
- Have suffered a revenue drop (determined on the same basis as under CEWS and CERS), or, for the periods 18 to 22, have suffered a revenue drop of more than 10 per cent.

The CRHP would subsidize the incremental remuneration paid to an eligible employee at a rate of 50 % in periods 17 to 19, and then the subsidy rate would be 40%, 30% and 20% in periods 20 to 22, respectively.

The CRHP would not be available for furloughed employees.

Incremental remuneration for a qualifying period means the difference between an employer’s total eligible remuneration paid to eligible employees for the qualifying period and its total eligible remuneration paid to eligible employees between March 14, 2021 to April 10, 2021 (“**baseline period**”). In both the qualifying period and the baseline period, eligible remuneration for each eligible employee would be subject to a maximum of \$1,129 per week.

As is currently the case for the CEWS, the eligible remuneration for a non-arm’s length employee for a week could not exceed their baseline remuneration determined for that week.

An eligible employer would be permitted to claim either CRHP or the CEWS for a particular qualifying period, but not both.

Therefore, the determination of whether CEWS or CRHP would be more favorable to an employer would depend on the particular circumstances, including the revenue drop suffered (which increases the subsidy under CEWS) and the degree of incremental remuneration between the qualifying period and the baseline period (which increases the subsidy under CRHP).