

FEDERAL GOVERNMENT EXTENDS COVID-19 BENEFITS AND BUSINESS SUPPORTS

On July 30, 2021, the federal government announced it is proposing to extend COVID-19 support measures.

EXTENDING WORKERS SUPPORT BENEFITS

The government proposes to extend the Canada Recovery Benefit (“**CRB**”), the Canada Recovery Caregiving Benefit (“**CRCB**”), and the Canada Recovery Sickness Benefit (“**CRSB**”) until October 23, 2021.

The government also plans to increase the maximum number of weeks available for the CRB, by an additional 4 weeks, to a total of 54 weeks, at a rate of \$300 per week, and ensuring it is available to those who have exhausted their employment insurance (“**EI**”) benefits.

EXTENDING EMERGENCY BUSINESS SUPPORTS

The government proposes to extend and enhance the Canada Emergency Wage Subsidy (“**CEWS**”), the Canada Emergency Rent Subsidy (“**CERS**”) and the Lockdown Support. More specifically, it plans to

- Extend the programs for an additional four weeks period to October 23, 2021 (they were to end on September 25, 2021); and
- Increase the CEWS and the CERS subsidy rates during Period 20 (between August 29 and September 25, 2021).

Introduced in Budget 2021, the Canada Recovery Hiring Program (“**CRHP**”) subsidizes the incremental remuneration paid to an eligible employee. Employers would be permitted to claim either CRHP or the CEWS for a particular qualifying period, but not both.

Tables 1 and 2, below, detail the proposed CEWS and CERS subsidy rate structures from August 1, 2021 to October 23, 2021. Only employers experiencing a decline in revenues of more than 10 per cent are eligible for those programs.

Table 1: CEWS Base and Top-up Rate Structure, Periods 19 to 21

	Qualifying Period	Base subsidy		Top-Up Subsidy
		Revenue drop < 50%	Revenue drop ≥ 50%	
Period 19	August 1, 2021 to August 28, 2021	(revenue decline - 10%) x 0.625	25%	(revenue decline - 50%) x 0.75 **up to 15%**
Period 20	August 29, 2021 to September 25, 2021	(revenue decline - 10%) x 0.625	25%	(revenue decline - 50%) x 0.75 **up to 15%**
Period 21	September 26, 2021 to October 23, 2021	(revenue decline - 10%) x 0.25	10%	(revenue decline - 50%) x 0.50 **up to 10%**

Note: the maximum weekly benefit per employee is equal to the maximum combined base subsidy and top-up wage subsidy for the qualifying period applied to the amount of eligible remuneration paid to the employee for the qualifying period, on remuneration of up to \$1,129 per week.

Table 2: CERS Base Rate Structure, Periods 19 to 21

		Revenue drop < 50%	Revenue drop ≥ 50%
Period 19	August 1, 2021 to August 28, 2021	(revenue decline - 10%) x 0.625	25% + [(revenue drop - 50%) x 0.75] **up to 40%**
Period 20	August 29, 2021 to September 25, 2021	(revenue decline - 10%) x 0.625	25% + [(revenue drop - 50%) x 0.75] **up to 40%**
Period 21	September 26, 2021 to October 23, 2021	(revenue decline - 10%) x 0.25	10% + [(revenue drop - 50%) x 0.50] **up to 20%**

- Notes:
- Expenses for each qualifying period are capped at \$75,000 per location and are subject to an overall cap of \$300,000 that is shared among affiliated entities.
 - Period 19 of the CEWS would be the twelfth period of the CERS. Period identifiers have been aligned for ease of reference.

The government also proposes to allow an eligible organization to elect to use the alternative approach to calculate its revenue decline for Periods 14 to 17 (March 14 to July 3, 2021) if it was not carrying on a business or otherwise carrying on ordinary activities on March 1, 2019. These changes would align the rules for periods 14 to 17 (March 14 to July 3, 2021) with those for periods 1 to 4 (March 15 to July 4, 2020) for organizations that began operating between March 1, 2019 and the onset of the pandemic, making them eligible for continued support under these programs. The alternative approach compares the qualifying revenue of a current reference period and the average revenues for the months of January and February 2020.

The CEWS for furloughed employees will no longer be available after August 28, 2021, including the subsidy for the employer's portion of contributions under the Canada Pension Plan, EI, the Quebec Pension Plan and the Quebec Parental Insurance Plan in respect of furloughed employees.