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## Canada Emergency Wage Subsidy (CEWS)

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## Who is an eligible employer

To be eligible to receive the wage subsidy, you must:

- ✓ be an eligible employer
- ✓ have experienced an eligible reduction in revenue, and
- ✓ have had a CRA payroll account on March 15, 2020

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## Types of eligible employers

Eligible employers include:

- 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

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

[Read more about who is an eligible employer](#)

## What is an eligible revenue reduction

You must determine if your reduced revenue makes you eligible to apply for the wage subsidy in a particular period.

If you determine that you qualify for the CEWS for one claim period, you will automatically qualify for the following claim period.

Calculate your reduction by comparing your eligible revenue for the starting month of the claim period with your baseline revenue. Your baseline revenue is either:

- the revenue you earned in the corresponding month in 2019, or
- the average of the revenue you earned in January and February, 2020



**You must choose** one of these baseline revenue options for your method of comparison and will not be able to change it for your subsequent calculations for the other 2 periods.

<b>Period dates</b>	<b>Baseline revenue</b>	<b>Eligibility period revenue</b>	<b>Required reduction</b>
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 June 6, 2020	<ul style="list-style-type: none"> <li>• May 2019, or</li> <li>• Average of January and February 2020</li> </ul>	May 2020	30%

## Eligible revenue

Eligible revenue generally includes revenue earned in Canada from:

- selling goods
- rendering services, and
- others' use of your resources

Use your normal accounting method when calculating revenue. You can use the cash method or the accrual method, but you must use the same approach throughout.

## Special revenue circumstances

### ▼ Registered charities and non-profit organizations

Registered charities and non-profit organizations may choose whether or not to include revenue from government sources, such as grants, when applying for the subsidy. You must take the same approach for each period you are applying for.

[Read more about eligible revenue for charities and non-profit organizations](#)

### ▼ Non-arm's length transactions and affiliated groups


There are special rules for revenue related to certain non-arm's length transactions and affiliated groups.

[Read more about calculating eligible revenue in specific situations](#)



## Examples of revenue reduction calculation

### ▼ Example 1: Automatically qualifying for a subsequent period

#### Business "A" eligibility

 Period 1: March 15 to April 11 (15% revenue reduction required)

#### Revenue

Jan 2020	Feb 2020	Mar 2020	Baseline (compare to Mar 2020)
\$100,000	\$140,000	\$130,000	 March 2019: \$170,000 (23.5% reduction)  Jan/Feb 2020 average: \$120,000 (0% reduction)



### **CEWS eligibility:** Qualifies for period 1

Baseline chosen: Corresponding month in 2019

**Note:** Whatever baseline you initially choose, it must remain the same for each of the following periods

#### **Period 2: April 12 to May 9 (30% revenue reduction required)**

##### **Revenue**

Jan 2020	Feb 2020	April 2020	Baseline (compare to Apr 2020)
\$100,000	\$140,000	\$120,000	April 2019: \$160,000 (25% reduction) Jan/Feb 2020 average: \$120,000 (0% reduction)



### **CEWS eligibility:** Qualifies for period 2

Baseline chosen: Corresponding month in 2019

Although the employer's revenue has not met the 30% reduction for period 2, because they qualified for period 1, they automatically qualify for the following claim period.

**Note:** Whatever baseline you initially choose, it must remain the same for each of the following periods

#### **Period 3: May 10 to June 6 (30% revenue reduction required)**

##### **Revenue**

Jan 2020	Feb 2020	May 2020	Baseline (compare to May 2020)
\$100,000	\$140,000	\$130,000	<ul style="list-style-type: none"> <li>📅 May 2019: \$190,000 (31.6% reduction)</li> <li>📅 Jan/Feb 2020 average: \$120,000 (0% reduction)</li> </ul>



**CEWS eligibility:** Qualifies for period 3

Baseline chosen: Corresponding month in 2019

**Note:** Whatever baseline you initially choose, it must remain the same for each of the following periods

▼ Example 2: Only qualifying for period 3

 **Business "B" eligibility**

📅 Period 1: March 15 to April 11 (15% revenue reduction required)

**Revenue**

Jan 2020	Feb 2020	Mar 2020	Baseline (compare to Mar 2020)
\$100,000	\$140,000	\$105,000	<ul style="list-style-type: none"> <li>📅 March 2019: \$115,000 (8.7% reduction)</li> <li>📅 Jan/Feb 2020 average: \$120,000 (12.5% reduction)</li> </ul>



**CEWS eligibility:** Does not qualify for period 1

Baseline chosen: Corresponding month in 2019 and average of Jan/Feb are both below 15%.



**Period 2: April 12 to May 9 (30% revenue reduction required)**

**Revenue**

Jan 2020	Feb 2020	April 2020	Baseline (compare to Apr 2020)
\$100,000	\$140,000	\$120,000	April 2019: \$160,000 (25% reduction) Jan/Feb 2020 average: \$120,000 (0% reduction)



**CEWS eligibility:** Does not qualify for period 2

Baseline chosen: Corresponding month in 2019 and average of Jan/Feb are both below 30%

**Period 3: May 10 to June 6 (30% revenue reduction required)**

**Revenue**

Jan 2020	Feb 2020	May 2020	Baseline (compare to May 2020)
\$100,000	\$140,000	\$120,000	May 2019: \$180,000 (33.3% reduction) Jan/Feb 2020 average: \$120,000 (0% reduction)




**CEWS eligibility:** Qualifies for period 3

Baseline chosen: Corresponding month in 2019



**Note:** Whatever baseline you initially choose, it must remain the same for each of the following periods

▼ Example 3: Qualifying for all 3 periods

## Business "C" eligibility

 Period 1: March 15 to April 11 (15% revenue reduction required)

### Revenue

Jan 2020	Feb 2020	Mar 2020	Baseline (compare to Mar 2020)
\$100,000	\$140,000	\$110,000	 March 2019: \$140,000 (21.4% reduction)  Jan/Feb 2020 average: \$120,000 (8.3% reduction)



**CEWS eligibility:** Qualifies for period 1

Baseline chosen: Corresponding month in 2019

**Note:** Whatever baseline you initially choose, it must remain the same for each of the following periods

 Period 2: April 12 to May 9 (30% revenue reduction required)

### Revenue

Jan 2020	Feb 2020	April 2020	Baseline (compare to Apr 2020)
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Jan 2020	Feb 2020	April 2020	Baseline (compare to Apr 2020)
\$100,000	\$140,000	\$120,000	<ul style="list-style-type: none"> <li>📅 April 2019: \$160,000 (25% reduction)</li> <li>📅 Jan/Feb 2020 average: \$120,000 (0% reduction)</li> </ul>



**CEWS eligibility:** Qualifies for period 2

Baseline chosen: Corresponding month in 2019

Although the employer's revenue has not met the 30% reduction for period 2, because they qualified for period 1, they automatically qualify for the following claim period.

**Note:** Whatever baseline you initially choose, it must remain the same for each of the following periods

📅 **Period 3: May 10 to June 6 (30% revenue reduction required)**


**Revenue**

Jan 2020	Feb 2020	May 2020	Baseline (compare to May 2020)
\$100,000	\$140,000	\$100,000	<ul style="list-style-type: none"> <li>📅 May 2019: \$150,000 (33.3% reduction)</li> <li>📅 Jan/Feb 2020 average: \$120,000 (16.6% reduction)</li> </ul>



**CEWS eligibility:** Qualifies for period 3

Baseline chosen: Corresponding month in 2019



**Note:** Whatever baseline you initially choose, it must remain the same for each of the following periods

Determine your eligible employees →

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