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Government Announces Details of the Canada Emergency Wage Subsidy to Help Businesses Keep Canadians in their jobs

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News release

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The Government of Canada is taking immediate, significant and decisive action to support Canadians and businesses facing hardship as a result of the global COVID-19 outbreak.

To help Canadians and businesses get through these tough economic times, the Prime Minister, Justin Trudeau, announced that the Government is proposing to introduce a wage subsidy of 75 per cent for qualifying businesses, for up to 3 months, retroactive to March 15, 2020.

This measure, which is a part of the Government of Canada's [COVID-19 Economic Response Plan](#), would support businesses that are hardest hit by the COVID-19 pandemic and would help protect the jobs Canadians depend on during these difficult times.

Today, Finance Minister Bill Morneau, the Minister of Small Business, Export Promotion and International Trade, Mary Ng, and the Minister of Innovation, Science and Industry, Navdeep Bains, announced the details of the proposed Canada Emergency Wage Subsidy:

- The Canada Emergency Wage Subsidy would apply at a rate of 75 per cent of the first \$58,700 normally earned by employees – representing a benefit of up to \$847 per week. The program would be in place for a 12-week period, from March 15 to June 6, 2020.
- Eligible employers who suffer a drop in gross revenues of at least 30 per cent in March, April or May, when compared to the same month in 2019, would be able to access the subsidy.
- Eligible employers would include employers of all sizes and across all sectors of the economy, with the exception of public sector entities.
- For non-profit organizations and registered charities similarly affected by a loss of revenue, the government will continue to work with the sector to ensure the definition of revenue is appropriate to their circumstances. The government is also considering additional support for non-profits and charities, particularly those involved in the front line response to COVID-19. Further details will be announced in the near term.
- An eligible employer's entitlement to this wage subsidy will be based entirely on the salary or wages actually paid to employees. All employers would be expected to at least make best efforts to top up salaries to 100% of the maximum wages covered.

The Canada Emergency Wage Subsidy is a key measure to ensure that workers are able to count on a source of income through this difficult time. It will enable employers to re-hire workers previously laid off, and to keep those who are already on payroll, so that Canada's workforce and supply chains are able to return from this crisis in a strong position.

Eligible employers would be able to access the Canada Emergency Wage Subsidy by applying through a Canada Revenue Agency online portal. More details regarding how to apply for the program will follow. Those organizations that do not qualify for the Canada Emergency Wage Subsidy may continue to

qualify for the previously announced wage subsidy of 10 per cent of remuneration paid from March 18 to before June 20, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer.

The government will continue to carefully monitor all developments relating to the COVID-19 outbreak and will continue to take further action to protect Canadians and the economy.

Quotes

“Businesses provide the jobs, the goods and the services that Canadians depend on to keep their communities going, in good times and bad. With the Canada Emergency Wage Subsidy, we are helping businesses keep their staff on payroll so that businesses will be better positioned to rebound when the current challenges have passed. We will continue to do whatever it takes to ensure that workers and businesses are supported through the outbreak, and that our economy remains resilient during these difficult times.”

Bill Morneau, Minister of Finance

“Small businesses are at the heart of our communities and are the backbone of our economy, employing millions of hard-working Canadians. There is no question that they are feeling the brunt of this challenging time. This wage subsidy will help keep more Canadians employed and will provide direct support to businesses so they can keep up with their bills. We will continue to listen to the very real needs of Canadian business owners and workers, and we will be there to support them every step of the way.”

Mary Ng, Minister of Small Business, Export Promotion and International Trade

“We have been in constant communication with Canadian businesses, and we know that all sectors of the economy are being affected by COVID-19. With the Canada Emergency Wage Subsidy, employers—no matter their size—will be supported to weather this storm, to be ready to recover when it passes, and to help Canadians keep their jobs.”

Navdeep Bains, Minister of Innovation, Science and Industry

Quick facts

- The government has taken action to support Canadian businesses through the outbreak of COVID-19, with targeted new initiatives that:
 - Allow businesses, including self-employed individuals, to defer all Goods and Services Tax/Harmonized Sales Tax (GST/HST) payments until June, as well as customs duties owed for imports. This measure is the equivalent of providing up to \$30 billion in

interest-free loans to Canadian businesses. It will help businesses so they can continue to pay their employees and their bills, and help ease cash-flow challenges across the country.

- Launch the new Canada Emergency Business Account. This program will provide up to \$25 billion to eligible financial institutions so they can provide interest-free loans to small businesses, including not-for-profits. These loans – guaranteed and funded by the Government of Canada – will ensure that small businesses have access to the capital they need, at a zero-per-cent interest rate, so they can pay for rent and other important costs over the next number of months.
- Launch the new Small and Medium-sized Enterprise Loan and Guarantee program that will enable up to \$40 billion in lending, supported through Export Development Canada and Business Development Bank, for guaranteed loans when small businesses go to their financial institutions to help weather the impacts of COVID-19. This is intended for small and medium-sized companies that require greater help to meet their operational cash flow requirements.
- Extend the maximum duration of the Work-Sharing program, from 38 weeks to 76 weeks, for workers who agree to reduce their normal working hours because of developments beyond the control of their employers.
- Increase credit available for farmers and the agri-food sector through Farm Credit Canada.
- Defer the payment of income taxes. The government is allowing all taxpayers to defer, until August 31, 2020, the payment of income tax amounts that become owing on or after March 18 and before September 2020. This relief would apply to new balances due, as

well as instalments, under Part I of the *Income Tax Act*. No interest or penalties will accumulate on these amounts during this period.

Associated links

- [Prime Minister announces support for small businesses facing impacts of COVID 19](#)
- [Additional Support for Canadian Businesses from the Economic Impacts of COVID-19](#)
- [Canada's COVID-19 Economic Response Plan](#)
- [Prime Minister announces more support for workers and businesses through Canada's COVID-19 Economic Response Plan](#)
- [Prime Minister outlines Canada's COVID-19 response](#)
- [Government of Canada takes action on COVID-19](#)
- [Canada outlines measures to support the economy and the financial sector](#)

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