



Canada Emergency Subsidy for Business & Individual Nov. 2020

BCSUN & ASSOCIATES INC.

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Facts check for business subsidy—Up to Oct. 2020

	Implact people or business	Actual Subsidy	Budgeted Subsidy	Memo	Memo
CERB	8.9 million	\$82 B	\$24 B	Canada all population is 35 M, deduct old and children, about 40% adults are under CERB	
CEBA (Loan)	765,000 business	\$30 B	\$30 B	Free loan up to 12/31/2022	New \$20K is coming out soon
CECRA→ CERS (Rent)	130,000 business applied 1.18 million jobs	\$1.8 B	\$ 3.0 B	New apply from Tenants or business	New name: CERS
CEWS (Wages)	3.8 million	\$46.8 B	\$82.3 B	As Nov. 1, 2020	

\$166 B

Deficit and debt of GDP ratio %

1. Federal budget widened to \$170 Billion in the first five months (April to Aug 2020/21).
2. By comparison, Deficit was \$5 billion in last same period April to Aug. 2019/20. (30X)
3. Total year deficit projected to **343 billion** 20/21, comparing **20 Billion** deficit 2018/19 (**17X**)
4. Federal debt, projected to 3/31/2021, is \$1.4 trillion, will likely **increase to 73% of GDP**, (compared 55% for 19/2020). It is a level not seen since the fiscal crisis of the 1990s. Canada has the fast growing deficit among G20.
5. USA Federal debt **is 79% of GDP**. It is worse since 1945.
6. . so.. for every individual **is \$40K debt** and a family **of 4 is \$160,000.**

Basically “CRB” replace CERB-- **Individual** www.bcsun.ca

SUBSIDY FOR	NEW PLAN “CRB” STARTS FROM SEP.27, 2020	OLD PLAN “CERB” ENDS SEPTEMBER 2020
To individual	<ul style="list-style-type: none"> • CRB (Canada Recovery Benefit) * \$1,000/two weeks. (\$900 after taxes withheld) • Has to apply very two weeks. Pay max to 26 weeks(6M) • apply between Sep 27, 2020 to Sep. 25, 2021. 	<ul style="list-style-type: none"> * CERB (Canada Emergency Response Benefit) • \$2,000/4 weeks (No tax withheld) • Program ends Sep. 2020
Who can apply	<ul style="list-style-type: none"> • You were not working for reasons related to COVID-19 , or • You had a 50% reduction in your average weekly income compared to the previous year due to COVID-19. • You did not apply for other benefit such as EI or (CRSB) Canada Recovery Sickness Benefit or (CRCB) Canada Recovery Caregiving Benefit. • Apply through CRA or Canada.ca “My Account”. 	<ul style="list-style-type: none"> • You have lesser than \$1,000/Month working income during COVID-19; and • You must have >=\$5,000/Y Salary or self employment income in Year 2019 or past 12 months.

New “CRCB” and “CRSB” Benefit- **Individual** www.bcsun.ca

SUBSIDY FOR	NEW PLAN “CRCB” FOR- CAREGIVER	NEW PLAN “CRSB” FOR -SICKNESS
To individual	<p>CRCB–Canada Recovery Caregiving Benefit</p> <ul style="list-style-type: none"> • \$500/week (\$450 after taxes withheld) • May apply up to Max 26 weeks (about 6 months) • Apply Between Sep. 27, 2020 to Sep. 25, 2021. 	<p>CRSB – Canada Recovery Sickness Benefit</p> <ul style="list-style-type: none"> • \$500/week (\$450 after taxes withheld) • May apply up to Max 2 weeks • Apply between Sep. 27, 2020 to Sep. 25, 2021
Who can apply	<ul style="list-style-type: none"> • Apply for CRCB if you are unable to work because of COVID-19 due to caring for your child or a family member who needs supervised care. • Two plans all apply through CRA or Canada.ca “My Account” 	<ul style="list-style-type: none"> • Give income to employed and self-employed individuals who are unable to work because sick or need to self-isolate due to COVID-19 or have an underlying health condition that put them at greater risk of getting COVID-19.

Revised “CEWS” Wages Subsidy– **Business Wages** www.bcsun.ca

SUBSIDY FOR NEW “CEWS”

OLD “CEWS”

Wages subsidy

CEWS (Canada Emergency Wages Subsidy)

- Business who had any drop in revenue can now qualify for the wage subsidy, start from claim period 5~9,(July 5 to Nov. 21, 2020) and will further extended to **June 2021**.
- The max base subsidy rate is 60% for period 5 & 6, if hit hard, top up extra 25%, max total up to 85%.
- The max base rate subsidy will begin to decline in period 7 (8/30–9/26), gradually reducing to basic rent subsidy is 40% if plus shut down top up, 25%, Max total subsidy is 65%
- Apply through CRA or Canada.ca “My Business Account”.

CEWS (same name)

- For business revenue must drop $\geq 30\%$
- Subsidy lesser of max \$847/Week or 75% of the employee’s pre-crisis pay.
- For claim period 1~4th, March 15 to July 4, 2020

CEWS—Period 5 & 6 (7/5~8/1 & 8/2- 8/29)

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Revenue drop %	Base Rate Wage Subsidy Revenue drop % * 1.2, Max is 60%	Hit hard company, additional Top up	Max subsidy
drop 20%	$20\% * 1.2 = 24.0\%$	0.00	24.00%
0%~ 49%	$49\% * 1.2 = 58.8\%$	0.00	58.80%
50% ~ 69%	$69\% * 1.2 = 82.8\%$, max 60%	1.25 (avg 3 M drop% - 50%)=23.75%	83.75%
70% and more	$70\% * 1.2 = 84.0\%$, max 60%	Flat 25% Top up	85.00%

For period 5 & 6, payer can also choose to use 75% flat subsidy if revenue drop more than 30%. Known as “Safe Harbour” rule; payer can choose which method can get higher subsidy.

Max per staff per week subsidy is \$847

CEWS—Period 7 (8/30 ~ 9/25, 2020)

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Revenue drop %	Base Rate Wage Subsidy Revenue drop % * 1.2, Max is 50%	Hit hard company, additional Top up	Max subsidy
drop 20%	$20\% * 1.2 = 24\%$	0.00	24.00%
0%~ 49%	$49\% * 1.2 = 58.8\%$, Max is 50%	0.00	50.00%
50% ~ 69%	$69\% * 1.2 = 82.8\%$, but max is 50%	1.25 (avg 3 M drop%-50%)=23.75%	73.75%
70% and more	$70\% * 1.2 = 84.0\%$, but max is 50%	Flat 25%	75.00%

Max per staff per week subsidy is \$1,129

CEWS—Period 9 and after to Summer 2021

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Revenue drop %	Base Rate Wage Subsidy Revenue drop % * 1.2, Max is 40%	Hit hard company, additional Top up if be shut down	Max subsidy
drop 20%	$20\% * 1.2 = 24\%$	0.00	24%
0%~ 49%	Max =40%	0.00	40%
50% ~ 69%	Max=40%	25% (avg 3 M drop%-50%)=23.75%	65%
70% and more	Max=40%	Flat 25%	65%

CECRA (old rent assistance)

1. Applied by Landlord. Application already closed as **9/30/2020** for (April to June)
2. Extension application closed as **10/30 for (July to Sep.)**. For those case already be approved for April to June, you can easily click “extended” then government will automatically give you subsidy without needing further information.
3. Problem is they use two steps and landlord must received a confirmation email , then need to submit two ID (front and back side) and company void check. Some landlord found CECRA email went into junk mails, and so he missed the deadline. So, must log into your account to view the application “status”. And submit information as soon as possible.
4. Due to government shifts risk to landlord, many landlords did not participate in this plan. So, you can see the total subsidy is only \$1.8 billion , compared with budget as \$3 Billion.

“CERS” replaces “CECRA” for
 Business Rent and MIP expenses if own
 (MIP: Mortgage, insurance, property tax)

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SUBSIDY FOR	“CERS” TIME FRAME	OLD “CECRA”
Commercial Rent and Mortgage	<ul style="list-style-type: none"> • CERS (Canada Emergency Rent Subsidy) • Program from Sep. 27, 2020 to Dec. 19, 2020, but will extended to June 2021, • Eligible entity must meet A) it had, on or before 3/13/2020 registered a business#. And make payroll remittance; or b) it had a business # on 9/27/2020 and provides records and other information satisfactory to the Minister. • If rent, must have signed rent agreement before 10/09/2020, and • Must apply no later than 180 of period ends. 	<ul style="list-style-type: none"> • CECRA (Canada Emergency Commercial Rent Assistance) • Program ends Sep. 2020 • Applied by Landlord • For Business Revenue drop \geq 70% • Government assist 50% of rent .

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SUBSIDY FOR	“CERS”	WHO & WHAT	OLD “CECRA”
<p>Commercial Rent and Mortgage support</p>	<ul style="list-style-type: none"> • Including rent subsidy and MIP expenses if business own property. MIP: Including certain mortgage interests, insurance costs, and property tax expenses. • Apply by the impacted Business, Not by landlord. • Not including business is collecting rental income.; nor business operated from a residence • No limit to business size, even to big business • Usually not providing to public bodies, as municipalities, Crown corp. public university, school hospital.. 		<ul style="list-style-type: none"> • CECRA (Canada Emergency Commercial Rent Assistance) • Program ends Sep. 2020 • Applied by Landlord • For Business Revenue drop $\geq 70\%$ • Government assist 50% of rent .

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SUBSIDY FOR	CERS” CAP \$	OLD “CECRA”
Commercial Rent and Mortgage support	<ul style="list-style-type: none"> • Max \$75,000 rent expenses per period per property. • Base rent subsidy: A cap of \$300K for all qualifying rent exp for all qualifying properties per qualifying period among all affiliated entities will be max subsidy of \$195,000 per period. • Affiliated entity means an company that directly or indirectly controls or be controlled by another entity. , could be a parent company or a subsidiary company. • Lockdown Top up 25% subsidy, is not subject to Cap limit. 	<ul style="list-style-type: none"> • CECRA (Canada Emergency Commercial Rent Assistance) • Program ends Sep. 2020 • Applied by Landlord • For Business Revenue drop >= 70% • Government assist 50% of rent .

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SUBSIDY FOR	“CERS”	SUBSIDY FORMULA	OLD “CECRA”
Commercial Rent and Mortgage support	<ul style="list-style-type: none"> Basic rent subsidy max 65%, revenue decrease % * 0.8 (if drop lesser than 50%), if drop over 50%.. $(40\%+(X-50\%)*1.25)$, but max is 65% Business that are required to temporarily close by public health order, will be eligible to receive an additional 25% top up Subsidy in addition to the max 65%. So, total subsidy can go up to max 90%. Subsidy is base on entity to entity (as a total) . 		<ul style="list-style-type: none"> CECRA (Canada Emergency Commercial Rent Assistance) Program ends Sep. 2020 Applied by Landlord For Business Revenue drop $\geq 70\%$ Government assist 50% of rent .

CERS—replace CECRA from Sep 27. 2020

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Revenue drop %	Basic Subsidy Rent % Max 65%	Max basic rent subsidy per qualifying period for total properties, base on max rent exp \$300K	Top up subsidy 25%, if be shut down due to Covid 19	Max Total Subsidy
Up to 50%	Revenue loss % * 0.8 Max: 40%	\$117,600	25%, Max \$18,750/Per Property, but no accumulated total properties cap\$	65%
50~ 70%	40%+ (loss%-50%)*1.25	\$191,250	25%, same as above	90%
Over 70%	65%	\$195,500 CAP (must share among affiliated entities) per period	25%, same as above	90%

Top up subsidy 25% is with a cap of \$18,750 per qualifying property, But with NO overall upper limit . (means if you have many properties, then no CAP for total top up subsidy)

Extra \$20,000 new loan adding to existing “CEBA”

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SUBSIDY FOR	NEW “CEBA”	OLD “CEBA”
Small business Loan subsidy	<ul style="list-style-type: none">* CEBA (Canada Emergency Business Account)• \$60,000 loan, if return \$40,000 before 12/31/2022, \$20,000 will be waived (forgiven).• Means business already applied \$40,000 loan, now can apply extra \$20,000 loan• Eligible if you have payroll over \$40,000 in year 2019; or expecting to have undeferrable expenses. Over \$40K In 2020.• Apply through authorized chartered banks• The already received great \$10,000 or \$20,000 must report as grant revenue at current year.	<ul style="list-style-type: none">• CEBA (same name)• \$40,000, if return \$30,000 before Dec.31 2022, \$10,000 will be waived.• Apply through authorized chartered banks

Home office expenses during Covid-19.

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HOME OFFICE

- Up to \$500 computer will be tax free for staff
- T2200 Declaration of Conditions of Employment
- Home office
- Automobile