

Ukrainian Catholic Archeparchy of Winnipeg

Українська Католицька Архиепархія в Вінніпеґу

TO:	Archeparchy Clergy, Chairs of Parish Administration Boards, Parish Secretaries, Bookkeepers
FROM:	Very Rev. Fr. Mark Gnutel — Archeparchial Finance Chair
DATE:	April 8, 2020
SUBJECT:	Immediate Relief Available to Parish Government Wage Subsidy Programs for parish staff consideration The Archeparchy will apply this principle to clergy and chancery staff separately and reconcile with parishes. This is information for parishes who have separate staff payrolls

The Federal Government has announced two wage subsidy programs, for employers, in the past few weeks. Upon doing some research, we have found that both subsidies apply to registered charities.

These wage subsidy programs will be explained as follows:

1. 10% Temporary Wage Subsidy for Employers;
2. 75% Canada Emergency Wage Subsidy;

For those organizations that meet the criteria for eligibility, the 75% wage subsidy **DOES NOT** replace the 10% subsidy already announced, but rather can be combined, provided the total combined claims do not exceed 75%.

A third program, directed to employees only, has also been created:

3. Canada Emergency Response Benefit: \$500 a week for up to 16 weeks

1) Key Points of the 10 % Temporary Wage Subsidy for Employers

On March 18, 2020, the Prime Minister announced a temporary 10 per cent wage subsidy. For employers that are eligible for both the Canada Emergency Wage Subsidy and the 10 per cent wage subsidy for a period, any benefit from the 10 per cent wage subsidy for remuneration paid in a specific period would generally reduce the amount available to be claimed under the Canada Emergency Wage Subsidy in that same period.

Every registered charity with employees can take advantage of the 10% wage subsidy beginning with wages paid after March 18, 2020.

You are an eligible employer for the 10% Temporary Wage Subsidy for Employers if you:

- are a non-profit organization, registered charity, or a Canadian-controlled private corporation (CCPC);
- have an existing business number and payroll program account with the CRA on March 18, 2020; and
- pay salary, wages, bonuses, or other remuneration to an employee.

If you did not pay salaries, wages, bonuses, or other remuneration to an employee between March 18, 2020, and June 20, 2020, you cannot receive the subsidy, even if you are an eligible employer.

The subsidy is equal to 10% of the remuneration you pay between March 18, 2020, and June 20, 2020, up to \$1,375 per employee and to a maximum of \$25,000 total per employer.

You will continue deducting income tax, Canada Pension Plan contributions, and Employment Insurance premiums from salary, wages, bonuses, or other remuneration paid to your employees, as you currently do. The subsidy is only calculated when you remit these amounts to the CRA. Once you have calculated your subsidy, you can reduce your current remittance of federal, provincial, or territorial income tax that you send to the CRA by the amount of the subsidy.

Important Note:

You cannot reduce your remittance of CPP contributions or EI premiums. You must continue remitting the CPP contributions and EI premiums that you deducted from your employees, as well as your share of CPP contributions and EI premiums, to the CRA.

All parishes concerned should be applying for this 10% credit to remittances paid to the Canada Revenue Agency for source deductions after the March 18, 2020 date.

For more information on details and how to take advantage of this benefit, please see the link below: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>

2) Key Points of 75% Canada Emergency Wage Subsidy

To help businesses keep and return workers to their payroll through the challenges posed by the COVID-19 pandemic, the Prime Minister, Justin Trudeau, proposed the new Canada Emergency Wage Subsidy. This would provide a 75 per cent wage subsidy to eligible employers for up to 12 weeks, retroactive to March 15, 2020.

- Eligible employers would include non-profit organizations and registered charities.
- This subsidy would be available to eligible employers that see a drop of at least 30 per cent of their revenue (see Eligible Periods). Revenue would be calculated using the employer's normal accounting method, and would exclude revenues from extraordinary items and amounts on account of capital. In applying for the subsidy, employers would be required to attest to the decline in revenue.
- The subsidy amount for a given employee on eligible remuneration paid between March 15 and June 6, 2020 would be the greater of:
 - 75 per cent of the amount of remuneration paid, up to a maximum benefit of \$847 per week; and
 - the amount of remuneration paid, up to a maximum benefit of \$847 per week or 75 per cent of the employee's pre-crisis weekly remuneration, whichever is less
 - Further guidance with respect to how to define pre-crisis weekly remuneration for a given employee will be provided in the coming days by the Canada Revenue Agency (CRA).

Eligible Periods

Eligibility would generally be determined by the change in an eligible employer's monthly revenues, year-over-year, for the calendar month in which the period began. The amount of wage subsidy (provided under the COVID-19 Economic Response Plan) received by the employer in a given month would be ignored for the purpose of measuring year-over-year changes in monthly revenues.

- For example, if revenues in March 2020 were down 50 per cent compared to March 2019, the employer would be allowed to claim the Canadian Emergency Wage Subsidy (as calculated above) on remuneration paid between March 15 and April 11, 2020.

The table below outlines each claiming period and the period in which it has a decline in revenue of 30 per cent or more.

Eligible Period

	Claiming period	Reference period for eligibility
Period 1	March 15 – April 11	March 2020 over March 2019
Period 2	April 12 – May 9	April 2020 over April 2019
Period 3	May 10 – June 6	May 2020 over May 2019

How to Apply

Eligible employers would be able to apply for the Canada Emergency Wage Subsidy through the Canada Revenue Agency's My Business Account portal as well as a web-based application. Employers would have to keep records demonstrating their reduction in arm's-length revenues and remuneration paid to employees. More details about the application process will be made available shortly.

Interaction with 10 per cent Wage Subsidy

On March 18, 2020, the Prime Minister announced a temporary 10 per cent wage subsidy. For employers that are eligible for both the Canada Emergency Wage Subsidy and the 10 per cent wage subsidy for a period, any benefit from the 10 per cent wage subsidy for remuneration paid in a specific period would generally reduce the amount available to be claimed under the Canada Emergency Wage Subsidy in that same period.

Interaction with the Canadian Emergency Response Benefit

An employer would not be eligible to claim the Canada Emergency Wage Subsidy for remuneration paid to an employee in a week that falls within a 4-week period for which the employee is eligible for the Canadian Emergency Response Benefit.

Employers who are not eligible for the Canada Emergency Wage Subsidy would still be able to furlough employees who will receive up to \$2,000 a month.

You will find below a link with further information on the 75% Canada Emergency Wage subsidy:

<https://www.canada.ca/en/department-finance/news/2020/04/the-canada-emergency-wage-subsidy.html>

Please note that organizations that do not qualify for the 75% Canada Emergency Wage Subsidy may qualify for the previously announced wage subsidy of 10 per cent of remuneration paid from March 18 to before June 20, 2020.

3) Canada Emergency Response Benefit: \$2,000 per month for up to 16 weeks

The following program is available to **employees** who have lost income because of COVID-19. The Canada Emergency Response Benefit (CERB) will provide them with temporary income support of up to \$500 per week for up to 16 weeks.

The Prime Minister announced that the website to apply for the new Canada Emergency Response Benefit (CERB) will be open April 6th.

Those employees applying can set up their CRA account now, to ensure they are ready on April 6, by clicking on the link below. Once on the site, there will be a button, "Register for My Account", that will navigate through the required steps in setting up the CRA account.

<https://www.canada.ca/en/revenue-agency/services/benefits/apply-for-cerb-with-cra.html>

The CERB provides a taxable benefit of \$2,000 a month for up to 4 months (March 15, 2020 until October 3, 2020) to:

- workers who must stop working due to COVID-19 and do not have access to paid leave or other income support.
 - workers who are sick, quarantined, or taking care of someone who is sick with COVID-19.
 - working parents who must stay home without pay to care for children that are sick or need additional care because of school and daycare closures.
 - workers who still have their employment but are not being paid because there is currently not enough work and their employer has asked them not to come to work.
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- wage earners and self-employed individuals, including contract workers, who would not otherwise be eligible for Employment Insurance.

Anyone who has ceased working due to COVID-19, whether eligible for EI or not, would be able to receive the CERB. If already receiving EI regular and sickness benefits, you will continue to receive them and should not apply for the CERB. If their EI benefits end before October 2, 2020, they could apply for the CERB if they are unable to work due to COVID-19. If they have already applied for EI and their application has not yet been processed, they would not need to reapply. Those eligible for EI regular and sickness benefits would still be able to access their normal EI benefits, if still unemployed, after the 16-week period covered by the CERB.

Those who apply will receive their CERB payment within 10 days of application and will receive payments every 4 weeks. The Canada Emergency Response Benefit (CERB) will be accessible through a secure web portal, automated telephone line or via a toll-free number starting in early April.

Those eligible for EI who have lost their job or those applying for other EI benefits can continue to apply for EI through the Regular EI program. Please refer to ONYX Dialogue – Applying for REGULAR EI Benefits.

For more information on this program, please find below the link to the government website:

<https://www.canada.ca/en/services/benefits/ei/cerb-application.html>

Conclusion

Depending on the circumstances surrounding the work, health and other considerations relating to your employees' well being and organisational needs, your parish may want to take advantage of one or more of the programs outlined in this memo. For those interested in applying for the 75 % Canada Emergency Wage Subsidy we invite you to do so. You will need the Canada Revenue Agency's "My Business Account" portal set up in order to apply. If not set up already, please do so immediately. It may take a few days because they usually send you a code via the mail to activate the account. **At a minimum all parishes should be applying for the 10 % wage subsidy.**

If you need help navigating all this information, please email myself property@archeparchy.ca or finance@archeparchy.ca and we will help.
