



# TEMPORARY WAGE SUBSIDY FOR EMPLOYERS

COVID-19 Measures  
March 21, 2020

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## Overview

On March 18, 2020, the Federal Government announced a number of economic measures for Canadians in response to the COVID-19 pandemic.

One of the measures introduced was the Temporary Wage Subsidy for Employers. This measure allows eligible employers to reduce required remittances of payroll source deductions to CRA for a period of up to three (3) months.

This document will provide information regarding the subsidy that may be available to you as an employer and how we can help you to benefit from this measure.

## Calculation of the Subsidy

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.

**Example:** If you have 5 employees, the maximum subsidy you can receive is \$6,875 (\$1,375 x 5 employees), even though the per employer maximum is \$25,000.

**Note:** Only Income Tax amounts (not CPP or EI) will be eligible for reduction. In addition, only income tax amounts due to CRA will be eligible for this deduction (i.e. amounts due to Revenu Québec are not eligible under this measure).

## Eligibility

You are an eligible employer if you pay salary, wages, bonuses, or other remuneration to an employee and are:

- ▶ A Canadian-controlled private corporation (CCPC)\*; or
- ▶ A non-profit organization or registered charity.

**\*Note:** CCPCs are only eligible for the subsidy if their taxable capital employed in Canada for the preceding taxation year, calculated on an associated group basis, is less than \$15 million.

For more information regarding if your Corporation is considered a CCPC, please see this page or ask your BDO advisor: <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/corporations/type-corporation.html#ccpc>

## Claiming this subsidy with BDO Payroll Services

As eligibility for this subsidy requires consideration of your specific tax circumstances that may not be known to your BDO Payroll team (i.e. CCPC status), we request that you please email your BDO representative and include the following assertion in your request for us to process this subsidy for you:

*I confirm that I am an employer that is eligible to claim the Temporary Wage Subsidy. I understand and accept that any audit risk associated to this eligibility is the responsibility of the employer.*

If you are unsure regarding your eligible to claim this subsidy, please ask our team. We will work with our BDO Tax Specialists or your preferred accountant as required to help in this determination.

## How will I receive the subsidy?

This subsidy is claimed via a reduction of federal, provincial, or territorial source income tax paid to CRA. You will benefit immediately through reduced remittances for eligible payroll amounts.