



COVID-19 ASSISTANCE FOR ALBERTA SMALL BUSINESSES

CANADA EMERGENCY WAGE SUBSIDY (CEWS)

The CEWS program provides a subsidy of up to 75% of employee's wages, up to **\$847** per week from March 15, 2020 to June 6, 2021. Eligible employers include businesses who have suffered a drop of gross revenues during the COVID-19 pandemic.

The base CEWS subsidy is calculated based on the actual revenue decline % (max. 50%) x base rate factor (i.e. revenue decline of 20% in December would qualify for 16% (20% x 0.8) wage subsidy. Employers who experienced a revenue decline of 50% or more may be eligible for a top-up subsidy equal to their actual revenue decline less 50% x 1.25 up to a maximum 35%. For example, revenue decline of 70% in December would qualify for 75% (40% base subsidy + 35% Top-up subsidy) up to \$847 per week per employee. Where the current period revenue decline percentage is less than the preceding month, you are deemed to have a revenue decline % equal to the preceding month.

There is no overall limit on the subsidy amount that can be claimed. CEWS amounts received are included in the employer's taxable income. Gross revenues can be calculated under either the accrual method or the cash method on a consistent basis. For more information on eligibility of CEWS click [here](#). Deadline for filing is the later of January 31, 2021 or 180 days after the end of the qualifying claim period.

A 25% penalty will be assessed to employers who manipulate their revenues to qualify for the CEWS program. Please note that the Minister may communicate publicly the name of any employer that makes an application.

Eligible (4-week) Claim Periods for CEWS and CERS

CEWS	CERS	Claiming Period	Reference Month *	Base Rate Factor	Top-up Factor	Application Deadline
1		Mar 15 to Apr 11	March	75%		Jan 31, 2021
2		Apr 12 to May 9	April	75%		Jan 31, 2021
3		May 10 to June 6	May	75%		Jan 31, 2021
4		June 7 to July 4	June	75%		Jan 31, 2021
5		July 5 to Aug 1	July	1.2 or 75%	1.25	Jan 31, 2021
6		Aug 2 to Aug 29	August	1.2 or 75%	1.25	Feb 25, 2021
7		Aug 30 to Sept 26	September	1.0	1.25	Mar 25, 2021
8	1	Sept 27 to Oct 24	October	0.8	1.25	Apr 22, 2021
9	2	Oct 25 to Nov 21	November	0.8	1.25	May 20, 2021
10	3	Nov 22 to Dec 19	December	0.8	1.25	Jun 17, 2021
11	4	Dec 20 to Jan 16	December	0.8	1.75	July 15, 2021
12	5	Jan 17 to Feb 13	January	0.8	1.75	Aug 12, 2021
13	6	Feb 14 to Mar 13	February	0.8	1.75	Sept 9, 2021
14	7	Mar 14 to Apr 10	March**	0.8	1.75	Oct 7, 2021
15	8	Apr 11 to May 8	April**	0.8	1.75	Nov 4, 2021
16	9	May 9 to June 5	May**	0.8	1.75	Dec 2, 2021

* Eligibility would generally be determined by the change in monthly revenues from 2019 to 2020. Under the alternative method the employer can elect to use the average of Jan & Feb 2020 as the prior reference month. The election must be consistently applied for claim periods 1 through 4, and periods 5 through 16.

**For claim periods 14 to 16, under the general method the prior period reference month is in 2019 (pre-pandemic).

SMALL & MEDIUM ENTERPRISE RELAUNCH GRANT (SMERG)

The grant provides up to **\$20,000** to Alberta businesses, cooperatives, and non-profit organizations with less than 500 employees that were ordered to close or reduce operations, and that experienced a revenue reduction of at least 30% due to COVID-19 [public health order](#). Eligible organization's will be able to apply for 15% of pre-COVID-19 monthly revenue to offset a portion of relaunch costs (i.e. physical barriers, PP&E, rent & employee wages, replacing inventory) for up to:

- ⇒ a maximum of \$5,000 in funding for their first payment, and
- ⇒ A maximum of \$15,000 for their second payment

Click [here](#) for information on eligibility. Apply [online](#) before Mar 31, 2021.

CANADA EMERGENCY RENT SUBSIDY (CERS)

The CERS is a program that replaced the Canada Emergency Commercial Rent Assistance ("CECRA") program. This rent subsidy will provide direct support of up to 65% of eligible expenses to qualifying renters and property owners that have experienced a decrease in revenue, retroactive to Sept 27, until June 2021. The calculation of revenues, base subsidy rate and qualifying reference periods will be determined in the same manner as the CEWS. Click [here](#) for more information.

Eligible entities must meet one of the following criteria:

- ⇒ have a payroll account or have a payroll service provider as of Mar 15, 2020
- ⇒ Have a CRA business number as of Sept 27, 2020

Eligible expenses include commercial rent, property taxes, property insurance, and mortgage interest paid to arm's length parties under agreements entered into before Oct 9, 2020, up to **\$75,000** per location and subject to an overall cap of **\$300,000** that would be shared among affiliated entities. Deadline for applications is 180 days after the end of the claim period.

Lockdown Support - A top-up of 25% is available for entities that temporarily shut - down or significantly limit their activities due to a mandatory health order. Click [here](#).

FINANCIAL INSTITUTION ASSISTANCE

Canada Emergency Business Account (CEBA) - Deadline is June 30, 2021

- Interest-free loans up to **\$60,000** to eligible borrowers, of which \$20,000 of the loan will be forgiven where the loan is repaid by Dec 31, 2022. Click [here](#) for more information.
- Payroll Stream - Eligible borrowers with 2019 payroll between \$20k - \$1.5m.
- Non-Deferrable Expense Stream - Eligible borrowers with payroll less than \$20k must have: a business operating bank account, a CRA business number and filed a 2018 or 2019 tax return and eligible non-deferrable expenses between \$40k—\$1.5m.
- Eligible non-deferrable expenses include payroll (arms' length), rent, property taxes, utilities, insurance, regularly scheduled debt service, and not prepayment of existing indebtedness, dividends or increase in management compensation.
- The forgivable portion of the CEBA is taxable to the borrower when received.

Highly Affected Sectors Credit Availability Program (HASCAP)

- BDC guaranteed loans up to **\$1m** to eligible borrowers with 4% interest, repayment term of up to 10 years with postponement of principal payments of up to 12 months, available until June 30, 2021. Click [here](#) for more information.
- Eligible borrowers include Canadian based businesses that have a revenue decline year-over-year of at least 50% in at least 3 months within the 8-month period prior to application and received either CEWS or CERS benefits.

Loan details are subject to change, contact your participating financial institution.

TEMPORARY WAGE SUBSIDY (TWS) - 10%

Temporary wage subsidy for eligible employers equal to 10% of the remuneration paid from March 18 to June 19, 2020, up to a maximum of **\$1,375** per employee and **\$25,000** per employer. Eligible employers that have claimed either the TWS or CEWS are required to file a [Self-identification Form](#).

OTHER PROGRAMS AVAILABLE

Regional Relief and Recovery Fund (RRRF) - \$40,000 interest-free repayable contribution for businesses that don't qualify for the CEBA. Click [here](#) for more info.

Emergency On-Farm Support Fund - Cost-shared ratio, up to \$100,000 to cover eligible costs between Mar 15 and Feb 26, 2021. Click [here](#) for more information.

Tourism Levy - Amounts collected from Mar 1, 2020 to Mar 31, 2021. Click [here](#).

KMSS IS HERE TO HELP Contact us at 403-233-7750

Please contact your KMSS advisor if you need assistance with:

- ⇒ Determining whether your business qualifies for any relief programs
- ⇒ Calculation of and submission of wage and rent subsidies
- ⇒ Interim financial statements required for financing, CEWS or CERS
- ⇒ Accounting for your business using Cloud-based Solutions to allow remote access when working from home

Last updated March 23, 2021 – For Most Current Version go to www.kmss.ca