



# The AC Group

## Of Independent Accounting Firms Limited

### How to Prepare to Apply for the new Canada Emergency Wage Subsidy

#### Summary of the Subsidy

- The subsidy will apply to March, April and May 2020
- A CRA portal will be opened in order to facilitate the applications for the subsidy
  - You will have to prove a 30% decrease in revenues comparing March 2019 to March 2020 (there is flexibility for start ups, etc.. criteria are being developed)
  - You will have to prove you have paid employees
  - The government does not require you to pay the additional 25% but you would have to prove you tried to pay the additional 25%
  - The Portal will be up and running in 3-6 weeks and money will take up to 5 days for direct deposit and 10 days for cheque
  - You will have to reapply each month
  - The cap per employee per week is \$847 meaning the employee would have a gross weekly payroll of \$1,129
  - The subsidy is back dated to March 15, 2020

#### What can I do to prepare?

- Perform a cash flow analysis to see how long you can last bringing employees back to work, knowing you will likely not receive payment from CRA until mid-May
- Look to register your business account through the CRA My Account
- Have your company register for direct deposit to expediate receiving the subsidy
- Get your internal financials up to date for March, and gather your prior year March, April, and May information, and keep your accounting records up to date for going forward
- Ensure you have documentation for payroll
- Establish a way to scan important documents for ease of transmission of documents through the portal

#### Don't meet the 30% Decrease in Revenues?

Those organizations that do not qualify for the Canada Emergency Wage Subsidy may continue to qualify for the previously announced wage subsidy of 10% 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.