

# NAVIGATING COVID-19 GOVERNMENT PROGRAMS AND SUBSIDIES FOR BUSINESSES



It's been a year since COVID-19 became a common household term and in that time the pandemic has significantly impacted the economy in Canada and abroad. To help mitigate the impacts, federal and provincial governments have introduced a multitude of programs and incentives to stimulate employment and spending. The following programs may benefit business owners.

## Federal Programs

### Canada Emergency Wage Subsidy (CEWS)

The CEWS program is a wage subsidy paid to businesses that have had revenue losses during the pandemic. Since its inception, the initial requirement of a 30 per cent drop in revenue has been streamlined to account for recovering businesses, with a reduction in the subsidy amount as a business recovers its lost revenues.

Government claims that since March 2020, the CEWS has protected more than four million jobs, helping businesses and workers through the challenges of the pandemic.

The CEWS program has been extended until June 2021. The application deadline for the program's first five claim periods came to an end January 2021. Every month will now see deadlines for businesses to file for additional periods.

- The wage subsidy remained at the maximum rate of up to 75 per cent of eligible wages until March 13, 2021 at which time the government re-evaluated the subsidy amount.

### Canada Emergency Rent Subsidy (CERS)

The new CERS, which replaces the Canada Emergency Commercial Rent Assistance (CECRA) program, intends to provide simple and easy-to-access rent and mortgage support for periods from September 27, 2020 to June 30, 2021 for qualifying organizations affected by COVID-19.

- The rent subsidy will be provided directly to tenants rather than through landlords.
- It will support businesses that have suffered a revenue drop by subsidizing a

percentage of their expenses on a sliding scale, up to a maximum of 65 per cent of eligible expenses and up to 90 per cent for those organizations that have been temporarily closed due to a mandatory public health order.

- An application is required for each claim period with a 180-day deadline to file after the end of each claim period. An attestation by the owner or senior management must accompany each application in the prescribed form.

### British Columbia Provincial Programs Small and Medium Sized Business Recovery Grant

This provides grants of \$10,000 to \$30,000 to support BC businesses impacted by the pandemic that employ between two and 149 BC residents, or sole proprietorships and partnerships with fixed costs related to tangible assets and have experienced declines in revenue since March 2020.

- As of December 21, 2020, the program has been enhanced to make it easier for businesses to qualify with a streamlined application process and simplified criteria, including reducing the previous three years of business results initially required to 18 months.
- Instead of requiring a revenue loss of 70 per cent or more, the criteria has been reduced to 30 per cent at the time of application.
- The program runs until August 31, 2021 or until funding is fully allocated, whichever comes first.

### BC Increased Employment Incentive

The incentive offers a refundable tax credit for all private sector BC employers to encourage the creation of new jobs for BC workers or an increase in payroll for existing low- or medium-income employees.

The tax credit is calculated at 15 per cent of the amount that the employer's qualifying BC remuneration exceeds the employer's base BC remuneration.

- Remuneration increases over the last quarter (October to December) of 2020 are eligible.
- Applications opened online March 2021.

### BC PST Rebate on Select Machinery and Equipment

Through the BC PST Rebate on Select Machinery and Equipment, corporations can apply to receive an amount equal to the PST they paid between September 17, 2020 and September 30, 2021 on qualifying machinery and equipment.

- Applications opened online April 1, 2021.
- Incorporated businesses may make up to two PST rebate applications: the first application can be made between April 1, 2021 and September 30, 2021. The second application can be made starting October 1, 2021. The last day applications will be accepted is March 31, 2022, which is 6 months after the rebate period ends on September 30, 2021.

### Word of Warning

Since initially announced in 2020, there have been many changes made to all of these programs. The rules and criteria for eligibility are constantly evolving as governments learn how to administer the programs. Check with your advisor for the most up-to-date application processes and eligibility. 📌

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