



**April 16, 2020**

### **Communication from Hardy Normand et al**

The following has been prepared based on information available on the Government of Canada website. Please be advised that the available information is evolving. Consequently, **the summaries are provided for informational purposes only and are not intended to give specific advice of a financial, tax, legal, accounting or other nature. This information cannot, under any circumstances, be used as evidence for the purpose of claiming any amount.**

You are encouraged to also contact your own professional.

#### **CANADA EMERGENCY RESPONSE BENEFIT**

On April 15<sup>th</sup>, Prime Minister Trudeau announced expanded access to the Canada Emergency Response Benefit (CERB).

To help more Canadians benefit from the CERB, the Government announced changes to the eligibility rules to allow people to earn up to \$1,000 per month while collecting it.

This means that optometrists who are still working but earning minimal income would now be eligible for the CERB. We have not obtained more details regarding optometrists who would earn income through a corporation, but we believe if the income earned in the corporation is less than \$1,000 per month and no other income is received personally, the optometrist would personally be eligible to claim the CERB. These changes will be retroactive to March 15, 2020. Again, more details will be available shortly.

## CANADA EMERGENCY WAGE SUBSIDY

On April 11<sup>th</sup>, a second *Act respecting certain measures in response to the COVID-19* received Royal Assent and provided more details regarding the Canada Emergency Wage Subsidy ("CEWS"). This subsidy is not available pending the Canada Revenue Agency's development of a portal through which employers will be able to make their applications. When making an application, the individual who has principal responsibility for the financial activities of the entity will have to attest the application is complete and accurate in all material respects. Applications must be made before September 30, 2020.

A rule was put into place in the second Act to ensure that the CERB for an employee and the CEWS to the employer are not claimed at the same time. In the definitions, an eligible employee is one "*who is without remuneration by the eligible entity in respect of 14 or more consecutive days in the qualifying period.*" Details are available on the CRA website: "*This could include a process to allow individuals rehired by their employer during the same eligibility period to cancel their CERB claim and repay that amount.*" Be careful when filing the application.

We were surprised that the Act is no longer excluding benefits received for the use of a car in the definition of *eligible remuneration*, as had been previously announced.

In addition, if an employer meets the condition for a particular qualifying period, then s/he is deemed to have met the conditions in respect to the immediately following period. However, we believe the attestation will still be needed.

Employers who are eligible for the CEWS would also receive a refund of their EI and CPP contributions (employer portion) in respect of the salaries paid to temporarily **laid off** employees (who are paid but do not work).

A special anti-avoidance rule was put in place to ensure that employers do not take advantage of the subsidy and to help ensure that employees are paid the amounts they are owed.

Again, if as an employer you do not yet have access to [My Account](#) on the CRA website, you should register now.

### **ANNOUNCEMENTS OF APRIL 16, 2020**

On April 16, Prime Minister Trudeau announced a modification to the Canada Emergency Business account, which provides interest-free loans of up to \$40,000 to small businesses. To qualify, an optometrist will need to demonstrate they paid between **\$20,000 to \$1,500,000** in total payroll in 2019.

Finally, Prime Minister Trudeau announced the launch of Canada Emergency Commercial Rent Assistance program, which will help small businesses cover rent for the months of April, May and June. Again, more details about this new measure are pending.