



# CEWS Canada Emergency Wage Subsidy

(As of December 8, 2020) Updates at [usw.ca/covid19](https://usw.ca/covid19)

The **CEWS is a wage subsidy** for employers who experience a revenue decline. The subsidy can apply to the wages of active or inactive employees.

The program was modified repeatedly since it was first announced on March 27, 2020. The first piece of legislation, Bill C-14, established the rules for the first four claim periods. An extension to the program was announced in May and was followed by Bill C-20 which introduced new rules, expanding eligibility for companies who experienced a smaller than 30% decline in revenue. The federal government further expanded the program through Bill C-9, which modified the total subsidy amount and extended the program to June 21, 2021.

Original	Expansion	Extension
<b>Bill C-14</b>	<b>Bill C-20</b>	<b>Bill C-9</b>
Periods 1-4	Periods 5-7	Periods 8-10
March 15 – July 4	July 5 – Sept. 26	Sept. 27 – Dec. 19
Must demonstrate revenue decline of at least:	Subsidy proportional to decline in revenue	Subsidy proportional to decline in revenue
Period 1: 15% Periods 2-4: 30%	Base subsidy + top-up for >50% revenue decline	Gradually decreasing base rate + top-up for most-affected
Subsidy: 75% of wages  Max of \$847 per employee per week	Max subsidy: 75% of wages  Max of \$847 per employee per week	Max subsidy: 65% of wages (40% base + 25% top-up)  Inactive employees aligned with EI (max \$573)
	Safe harbour rule for periods 5 and 6	Subsidy extended to June 21, 2021
	General approach or alternative approach to revenue decline	General approach or alternative approach to revenue decline

In the fall economic statement, the federal government indicated that it intends to restore the maximum subsidy amount to 75% for claim periods between December 20, 2020 and March 13, 2021. Legislation enacting this change is forthcoming.

## Who received the CEWS

As of November 22, the CEWS had supported 3.9 million jobs at a cost of \$50 billion. Back in March, the government projected the CEWS, then expected to only be in place for 3 months, would cost \$71 billion. Clearly, uptake was not as expected.

Period 1: March 15 to April 11, 2020

Period 2: April 12 to May 9, 2020

Period 3: May 10 to June 6, 2020

Period 4: June 7 to July 4, 2020

Period 5: July 5 to August 1, 2020

Period 6: Aug. 2 to Aug. 29, 2020

Period 7: Aug. 30 to Sept. 26, 2020

Period 8: Sept. 27 to Oct. 24, 2020

Period 9: Oct. 25 to Nov. 21, 2020

Period 10: Nov. 22 to Dec. 19, 2020

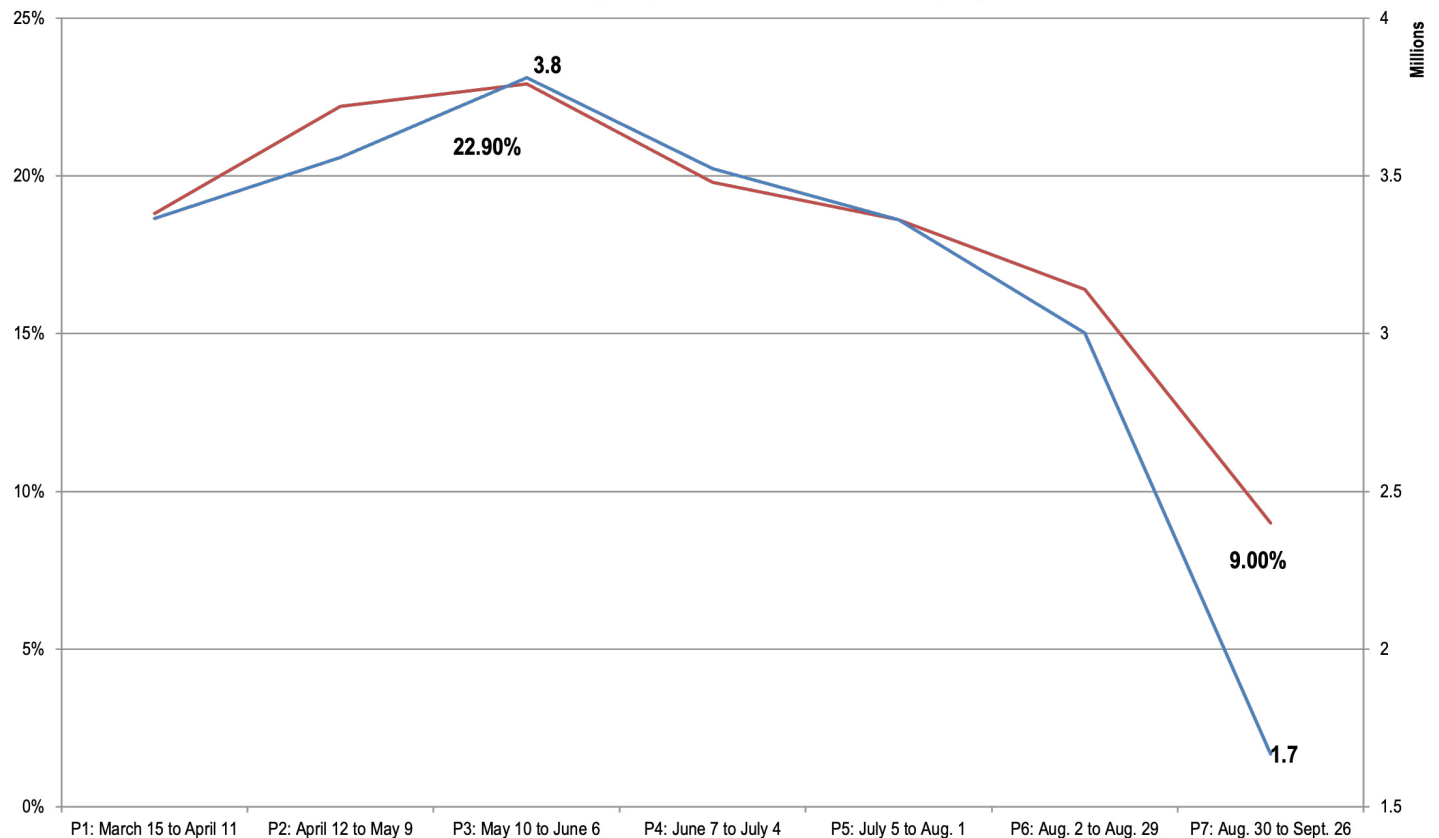
Many employers chose to lay-off employees instead of using the CEWS. By contrast, the CERB program paid-out over \$81 billion in benefits to 8.9 million unique applicants. At its highest point, in period 3, the CEWS supported 3.8 million jobs.

Information about which companies received the CEWS is hard to come by. Unlike the United States, which publishes the recipients of the payroll protection program in a searchable online database, the CEWS is much less transparent.

Publicly traded companies, however, do disclose when they receive government funds. Air Canada received \$492 million from the program and Imperial oil received \$120 million. Indeed, the top 20% of CEWS recipients identified by the CBC received a combined \$1.7 billion<sup>1</sup>. While 390 approved applications were for over \$5 million, the vast majority of applications (95%) were for claims under \$100,000.

The CEWS has been crucial for specific industries. Approximately 70% of CEWS funds went to the service sector, with the remaining 30% going to the goods-producing sector. 20% of CEWS funds supported jobs in manufacturing. In periods 2 and 3, 46% of all jobs in the manufacturing sector were supported by the CEWS.

**CEWS Coverage by Number/Share of Employees**



1 <https://www.cbc.ca/news/canada/tracking-unprecedented-federal-coronavirus-spending-1.5827045>

