



Updates on COVID-19 Support from the Government of Canada

January 2021

National and Synod Treasures continue to follow the updates provided by the Government of Canada on available funding and grants available to ELCIC congregations. The following are some recent updates.

As always, should you have any questions about how these pertain to your congregation, please contact your Synod Treasurer or the National Office for assistance.

10% TEMPORARY WAGE SUBSIDY (TWS)

This was a 3-month measure that allowed employers to reduce the amount of payroll deductions they were required to remit to the Canada Revenue Agency (CRA). The subsidy is equal to 10% of the remuneration pay from March 18 to June 19, 2020 up to \$1,375 for each eligible employer.

If you are eligible you can:

1. Reduce your payroll remittances for those periods
2. If you are eligible for the CEWS, make an election to claim the TWS as part of the CEWS
3. Do nothing and claim an overpayment on your T4 Summary for 2020 to receive a refund

Further information is available here:

<https://www.canada.ca/en/revenue-agency/services/subsidy/temporary-wage-subsidy.html>

FORM PD27 (Part of the TWS Reporting)

If you are eligible for the TWS, you may need to fill out and submit this form. The CRA will use the information from your form to reconcile the TWS on your payroll program accounts.

You need to file this form if you are eligible for the TWS and:

1. You already reduced your remittances;
2. You intend to reduce your remittances; and/or
3. You claimed the CEWS and, as a result, need to confirm on PD27 the amount of TWS you are claiming.

Further information is available here:

<https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/pd27.html>

**Note: Filing deadline is ASAP. You do not need to wait to file your T4 summary.*

CANADIAN EMERGENCY WAGE SUBSIDY (CEWS)

This is a wage subsidy program offered until June 2021 to qualifying employers who have seen a drop in revenue due to COVID-19.

There are specific rules depending on the period that you are applying for.

- For Periods 1 to 4 you had to have decreases of at 15% for period 1 or 30% for periods 2-4.
- For Periods 5 to current a decrease of any amount of revenues could make you eligible.
- There are special top-up subsidies for those who had revenue decreases of more than 50%.
- There are also special rules for wages paid to arm's length and non-arm's length employees.

If using the spreadsheets provided on the CRA website, make sure that the excel document is for the correct period. The calculations and eligible amounts are different depending on the period.

For further information, please visit:

<https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy.html>

**Application deadline for each period: The later of January 31, 2021 or 180 days after the claim period. This means that periods 1 to 5 must be filed by the end of January 2021.*

2020 T4 REPORTING

There is additional reporting required for 2020 T4 slips. This applies to ALL employers.

- Code 57 – Employment income Mar 15 to May 9
- Code 58 - Employment income May 10 to Jul 4
- Code 59 - Employment income Jul 5 to Aug 29
- Code 60 – Employment income Aug 30 to Sep 26

It is very important to note that an example of the reporting, per the CRA website, is “If you are reporting employment income for the period of April 25 to May 8, payable on May 14, use code 58.” This means the income is reported in the box when it is paid, not earned.

Further information can be found here: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/support-employers-cra-covid-19.html>

**Note: To be reported with the T4s, deadline is February 28, 2021.*

CANADA EMERGENCY BUSINESS ACCOUNT (CEBA)

Provides an interest free loan of up to \$60,000 (originally \$40,000) to small businesses and not for profits.

There are two ways to qualify:

1. Have paid payroll between \$20,000 and \$1.5 million in 2019 (as supported by the 2019 T4 summary filed);
2. Have eligible, non-deferable expenses of between \$40,000 and \$1.5 million.

Eligible non-deferrable expenses categories include:

- Wages and other employment expenses to independent (arm's length) third parties;
- Rent or lease payments for real estate used for business purposes;
- Rent or lease payments for capital equipment used for business purposes;
- Payments incurred for insurance related costs;
- Payments incurred for property taxes;
- Payments incurred for business purposes for telephone and utilities in the form of gas, oil, electricity, water and internet;
- Payments for regularly scheduled debt service;
- Payments incurred under agreements with independent contractors and fees required in order to maintain licenses, authorizations or permissions necessary to conduct business by the Borrower.

There is a maximum forgivable amount of \$20,000.

Further information can be found here: <https://ceba-cuec.ca/>

**Deadline to apply is March 31, 2021.*

CANADA EMERGENCY COMMERCIAL RENT ASSISTANCE (CECRA)

This was the original rent subsidy program introduced by the CRA. The onus was on the property owner to apply for the subsidy. The program would provide forgivable loans to qualifying commercial property owners to cover up to 50% of gross rent for April, May and June 2020 payable by eligible small business tenants.

The loans would be forgiven on December 31, 2020 if the property owner fulfills all applicable programs terms and conditions.

Further information can be found here:

<https://www.cmhc-schl.gc.ca/en/finance-and-investing/covid19-cecra-small-business>

**Deadline to file was September 30, 2020.*

CANADA EMERGENCY RENT SUBSIDY (CERS)

This program replaces the CECRA. CERS is provided directly to tenants, while also providing support to property owners.

The CERS will be comprised of a base amount plus a top up. The base amount covers up to 65% of qualifying rent expenses on a sliding scale and there is a lockdown support top-up.

You could be an eligible entity, including businesses, charities, and non-profits that experience a drop in revenue requiring assistance with rent and/or mortgage interest payments.

If you are a property owner, rent expense would include mortgage interest, insurance and property taxes.

The subsidy covers the period September 27, 2020 until June 2021.

Essentially, if you are eligible for CEWS you could be eligible for CERS.

Further information can be found here:

<https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-rent-subsidy.html>

**Application deadline for each period is 180 days after the claim period.*

T3010 Registered Charity Information Return

Just a reminder that the deadline for your 2019 T3010 Registered Charity Information Return was December 31, 2020.

Please make sure your return is submitted, as they are required as a part of being a registered charity, and can result in a revoking of the ability to issue tax receipts.

You can check on your status with the CRA here:

https://apps.cra-arc.gc.ca/ebci/hacc/srch/pub/dsplyBscSrch?request_locale=en

As always, please feel free to call the National Office or your Synod Office to ask if you need help.