



How to Navigate CEWS 2.0

Flowchart for Active Employees

On July 17, 2020, the Canadian government introduced proposals for Periods 5 through 9 of the Canada Emergency Wage Subsidy ("CEWS"). While not yet law, if the proposals are enacted they will result in significant changes to the calculation of the CEWS moving forward. This infographic should be reviewed in conjunction with the more detailed summary found at www.crowe.com/ca/crowesoberman/insights/covid-19-cews-reloaded.

One Month Revenue Decrease in Current or Previous Month

50% OR MORE

LESS THAN 50%

Base Subsidy Rate = Flat Rate

Period 5: 60%
Period 6: 60%
Period 7: 50%
Period 8: 40%
Period 9: 20%

Base Subsidy Rate = Calculation

Period 5: $1.2 \times \text{Revenue Drop}$
Period 6: $1.2 \times \text{Revenue Drop}$
Period 7: $1.0 \times \text{Revenue Drop}$
Period 8: $0.8 \times \text{Revenue Drop}$
Period 9: $0.4 \times \text{Revenue Drop}$

3-Month Average Revenue Drop

MORE THAN 50%

50% OR LESS

Top-Up Subsidy Rate
 $= 1.25 \times (\text{3-month revenue drop} - 50\%)$
(max. 25%)

Top-Up Subsidy Rate
 $= \text{nil}$

3-Month Average Revenue Drop

MORE THAN 50%

50% OR LESS

Top-Up Subsidy Rate
 $= 1.25 \times (\text{3-month revenue drop} - 50\%)$
(max. 25%)

Top-Up Subsidy Rate
 $= \text{nil}$

Overall CEWS Rate



Base Subsidy Rate



Top-Up Rate

CEWS 2.0 SUBSIDY*



Overall CEWS Rate



Each Employee's Weekly Wage

Lesser of:

1. Actual remuneration paid in the week to employee;
2. \$1,129; and
3. For non-arm's length employees only, the lesser of actual remuneration paid and the employee's baseline remuneration.

* For Periods 5 and 6, employers who have experienced a monthly revenue decrease of 30% or more will be entitled to a wage subsidy of no less than the amount calculated under CEWS 2.0 or the formulas used for Periods 1 – 4.