



How to Navigate CEWS 2.0 and CEWS 2.1

Flowchart for Active Employees

On November 2, 2020, the Canadian government introduced proposals that impact Periods 9 and 10 of the Canada Emergency Wage Subsidy ("CEWS"). While not yet law, if the proposals are enacted they will result in changes to the calculation of the CEWS moving forward.

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: 40%
Period 10: 40%

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: $0.8 \times \text{Revenue Drop}$
Period 10: $0.8 \times \text{Revenue Drop}$

The greater of:

- 3) One Month Revenue Decrease in Current or Previous Month, or
- 4) 3-Month Average Revenue Drop

MORE THAN 50%

50% OR LESS

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

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

The greater of:

- 1) One Month Revenue Decrease in Current or Previous Month, or
- 2) 3-Month Average Revenue Drop

MORE THAN 50%

50% OR LESS

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

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

Overall CEWS Rate**Base Subsidy Rate****Top-Up Rate**

CEWS 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.