

COVID-19 PROGRAMS / PAND UPDATES – October 19, 2020

COVID-19 Program Updates

On October 9, the Federal Government announced the following changes to its COVID-19 programs:

Canada Emergency Wage Subsidy (CEWS)

- The CEWS program has been extended until June 2021. The program was previously set to expire in December 2020.
- The subsidy rate will be maintained at the current Period 8 level (maximum of 65% of eligible wages) until December 19, 2020. The rate was previously set to decrease to a maximum of 45% for Period 9. Further details still to come on the subsidy rate for periods after December 19, 2020.
- All employers (regardless of whether they have received the CEWS subsidy) will be required to include certain supplementary reporting on their 2020 T4 slips. This additional reporting will need to disclose the amount of wages paid to an employee during the periods in which the Canada Emergency Response Benefit (CERB) and the Canada Emergency Student Benefit (CESB) programs were in effect. CRA will be using this information to validate payments made to individuals under the CERB and CESB programs. As such, employers should plan for a more extensive T4 reporting process in 2020.

Canada Emergency Business Account (CEBA)

- A further interest-free loan of up to \$20,000 will be available (in addition to the original CEBA loan of \$40,000). One-half of this additional financing will be forgivable if repaid by December 31, 2022.
- An attestation of the impact of COVID-19 on the business will be required to access the additional financing.
- The application deadline for the original and expanded CEBA financing has been extended to December 31, 2020.

Canada Emergency Rent Support (CERS)

- The CERS program replaces the previous Canada Emergency Commercial Rent Assistance Program (CECRA), which had minimal take-up due to the requirement that commercial landlords had to apply on behalf of their tenants.
- The new program will cover monthly periods beginning on September 27, 2020 and is expected to run until June 2021.
- CERS will provide a subsidy directly to an eligible business tenant that has suffered a revenue decline due to the pandemic. For periods up to December 19, 2020, the maximum subsidy will be 65% of eligible expenses (including rent and mortgage interest). A top-up subsidy of an additional 25% is available to organizations temporarily shut down by a mandatory public health order.

Our Firm's LLP Registration

Effective May 1, 2020, Pennock Acheson Nielsen Devaney Chartered Professional Accountants (“PAND”) became a registered Limited Liability Partnership (“LLP”), as allowed by legislation passed by the Government of Alberta. PAND continues to operate as a partnership but with a degree of limited liability to individual partners. LLP legislation does not reduce or limit the liability of PAND. The firm continues to comply with mandatory liability insurance requirements and all partners of the LLP remain personally liable for their own actions. All existing arrangements with our clients, including engagement terms and fees, conflict waiver and confidentiality agreements will remain in effect with the LLP and we will continue to provide you with the best possible professional services.

New Website and Future Communications

We are pleased to announce that we have recently unveiled our newly developed website. Please visit us at www.pand.ca and let us know what you think! We would be happy to hear your feedback.

For future communications from PAND, you will notice a different look as we will be using the email platform available through our new website. However, we will continue to keep our messaging brief and focused on the key information that is most relevant to our clients.