



75% Emergency CRA Wage Subsidy Approved: How it Can Help You

Description

The novel coronavirus pandemic is a double-edged sword, as its repercussions are social and economic. People are advised to stay home to prevent the spread of COVID-19. However, many are temporarily out of jobs and losing income during the crisis.

Financial dislocation is the biggest problem of both employers and employees. Many employers do not want to lay off employees, but circumstances dictate that job cuts are necessary. Workers are also in a bind, although they understand the situation is beyond their employers' control.

In March 2020 alone, about one million Canadians who lost their jobs went into lockdown mode. The unemployment rate has gone up to 7.8% as a consequence of battling COVID-19. Displaced workers are growing by the numbers, and that [emergency income support](#) is desperately needed.

Headline news

The Canada Emergency Wage Subsidy (CEWS) is one historic step to stem the wave of mass layoffs in Canada. This legislation, passed on April 11, 2020, has key elements that will address the concerns of employers and employees.

Employers that are individuals, taxable corporations, non-profit organizations, registered charities, and partnerships consisting of eligible employers can avail of the 75% emergency wage subsidy. The eligible entities can apply for CEWS through the Canada Revenue Agency.

Workforce support

I am focusing on the employees and how CEWS can help if you're financially affected by the crisis. For current employees, the subsidy is equal to the remuneration paid to each eligible employee. In absolute amount, it's 75% of the pre-crisis remuneration, whichever is less.

The estimated maximum benefit per week is \$847 per week. For newly hired employees or those hired

during the program term, the calculation is based solely on actual remuneration paid, subject to the \$847 weekly maximum per eligible employee.

Aerospace firm in distress

Thus far, there are no job cuts reported in the technology and telecommunication sectors. However, **Bombardier** ([TSX:BBD.B](#)) in the aerospace industry has temporarily laid off 12,400 employees due to the stoppage in private jet and rail production.

The workforce of this \$1 billion industrial stock has been depleted by 70% of the total 17,600 employees. Management said the displaced workers that include plant workers and corporate employees are not needed in the short term.

Bombardier [investors are feeling discomfort](#), as the stock has tanked 77.7% year to date. News of possible bankruptcy is also flying. The company might not be able to endure the financial distress caused by the coronavirus outbreak.

One glimmer of hope is the resumption of operations in the United Kingdom. Bombardier workers are restarting train production and performing heavy maintenance at key sites. A motley crew of 40 is also in Belgium to continue rail work.

Bombardier needs to revive the assembly of business jets, which is its most lucrative business segment. Unfortunately, the demand for corporate aircraft is declining because of the coronavirus outbreak.

Welcome relief

CEWS has effectively doused fears of unemployment. The program offers employers the opportunity to rehire workers given the temporary boot. Employees, however, are reminded to follow the fundamentals, such as social distancing, when working during the pandemic.

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