



CRA Warning: Don't Miss Out on These Changes

Description

While there has been much talk about changes for [individuals this tax season](#) by the CRA, one area that doesn't get as much discussion are the changes for employers. Small businesses in particular have been particularly hit hard by the COVID-19 pandemic, with many companies forced to close up as the pandemic continues.

For those eligible however, the CRA has made some changes that should benefit employers.

Canada wage subsidy

The CRA now has the Canada Emergency Wage Subsidy program available for employers whose businesses have been affected by COVID-19. If eligible, businesses could receive up to 75% of employee wages for 12 weeks. This can go back to March 15 to June 6, 2020.

The benefit of this subsidy is clear: employers don't have to fire employees, and employees can continue working without a reduction in pay. Hopefully, the subsidy will allow employers to continue normal operations as much as possible.

As of April 27, 2020 businesses can apply for the subsidy program online. As mentioned, businesses can receive up to 75% of wages; however that is up to \$847 per employee per week. The subsidy therefore applies to those with a salary of \$47,432 and under. However, for furloughed employees, employers can claim a 100% refund.

Who is eligible?

Before an employer can apply for this benefit, the CRA asks you to consider how much you have lost due to COVID-19. If your loss of revenue between March and April was 15% or greater, April to May 30% or greater, or May to June 30% or greater, you are eligible for the benefit.

To determine your drop in revenue, compare the revenue for the month in question to either the same

month in 2019, or the average revenue you made in January and February 2020.

Various types of businesses are eligible, including, corporations, charities, non-profits, and partnerships, so make sure you fall into one of these categories if applying.

Payment deferral

Then, of course, there are the payments made to CRA. While there has been a date push for deadlines for individuals, employers don't have a deadline extensions. Self-employed individuals have until June 1 to file, and corporations until June 15 to file as usual. However, self-employed persons and corporations now have until Sept. 1, 2020 to make any tax return payments.

In addition, the CRA allows businesses to defer any [GST/HST payments](#) or remittances owed to the CRA until the end of June. This also applies to the period between March 27 and June 1, 2020. As well, remittances made to the CRA can be reduced by 10% thanks to a temporary wage subsidy for employers.

This period also applies to the three months between March and June. Employers will receive no interest as long as payments are made before June 2020 in this case.

Foolish takeaway

COVID-19 has meant many changes — and that goes for the financial sector as well. Employers should make sure employees are receiving everything they can during this time, which will help ensure that the employer can return to normal as soon as possible once the pandemic is over.

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