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CHARTERED PROFESSIONAL ACCOUNTANTS

2021 FEDERAL BUDGET SUMMARY

April 19, 2021



PERSONAL INCOME TAX MEASURES

Increasing Old Age Security for Canadians 75 and Over

The budget proposes to provide a one-time payment of \$500 in August 2021 to Old Age Security (OAS) pensioners who will be 75 or over as of June 2022.

The budget further proposes to introduce legislation to increase regular OAS payments for pensioners 75 and over by 10% on an ongoing basis as of July 2022. This would provide additional benefits of \$766 to full pensioners in the first year and indexed to inflation going forward.

Disability Tax Credit

To be eligible for the Disability Tax Credit (DTC), an individual must have a certificate confirming that they have a severe and prolonged impairment in physical or mental functions.

Mental Functions Necessary for Everyday Life

To ensure that the eligibility criteria for the DTC better articulate the range of mental functions necessary for everyday life, the budget proposes that, for the purposes of the DTC, mental functions necessary for everyday life include:

- > attention;
- > concentration;
- > memory;
- > judgement;
- > perception of reality;
- > problem-solving;
- > goal-setting;
- > regulation of behaviour and emotions;
- > verbal and non-verbal comprehension; and
- > adaptive functioning.

Life-Sustaining Therapy

To better recognize the aspects of therapy for the purposes of calculating time spent on therapy, the budget proposes to:

- > allow reasonable time spent determining dietary intake and/or physical exertion to be considered part of the therapy, where this information is essential to, and is undertaken for the purpose of, determining the dosage of

medication that must be adjusted on a daily basis;

- > clarify that the exclusion of time for medical appointments does not apply to appointments to receive therapy or to determine the daily dosage of medication;
- > provide that the exclusion of time for recuperation after therapy does not apply to medically required recuperation; and
- > in the case of therapy that requires the daily consumption of a medical food or medical formula to limit intake of a particular compound to levels required for the proper development or functioning of the body, allow reasonable time spent on activities that are directly related to the determination of the amount of the compound that can be safely consumed to be considered part of the therapy.

The budget also proposes that:

- > the time reasonably required by another person to assist the individual in performing and supervising the therapy would be allowed to be counted;
- > the requirement that therapy be administered at least three times each week be reduced to two times each week. The requirement that therapy be of a duration averaging not less than 14 hours a week would remain unchanged.

These proposed changes would apply to the 2021 and subsequent taxation years, in respect of DTC certificates filed with the Minister of National Revenue on or after Royal Assent.

Postdoctoral Fellowship Income

The budget proposes to include postdoctoral fellowship income in “earned income” for RRSP purposes.

This measure would apply in respect of postdoctoral fellowship income received in the 2021 and subsequent taxation years. This measure would also apply in respect of postdoctoral fellowship income received in the 2011 to 2020 taxation years, where the taxpayer submits a request in writing to the Canada Revenue Agency for an adjustment to their RRSP room for the relevant years.



Tax Treatment of COVID-19 Benefit Amounts that are Repaid

The budget proposes to allow individuals the option to claim a deduction in respect of the repayment of a COVID-19 benefit amount in computing their income for the year in which the benefit amount was received rather than the year in which the repayment was made. This option would be available for benefit amounts repaid at any time before 2023.

For these purposes, COVID-19 benefits would include:

- > Canada Emergency Response Benefits/ Employment Insurance Emergency Response Benefits;
- > Canada Emergency Student Benefits;
- > Canada Recovery Benefits;
- > Canada Recovery Sickness Benefits; and
- > Canada Recovery Caregiving Benefits.

An individual who makes a repayment, but who has already filed their income tax return for the year in which the benefit was received, would be able to request an adjustment to the return for that year.

The budget also proposes to ensure that the COVID-19 benefit amounts noted above, and similar provincial or territorial benefit amounts, are included in the taxable income of those individuals who reside in Canada but are considered non-resident persons for income tax purposes. As a result, COVID-19 benefits received by these non-resident persons would be taxable in Canada in a manner generally similar to employment and business income earned in Canada.

Electronic Filing and Certification of Tax and Information Returns

Default Method of Correspondence

Notices of Assessment

The budget proposes to provide the CRA with the ability to send certain notices of assessment electronically without the taxpayer having to authorize the CRA to do so. This proposal would apply in respect of individuals who file their income tax return electronically and those who employ the services of a tax preparer that files their income tax return electronically.

This measure would come into force on Royal Assent of the enacting legislation.

Correspondence with Businesses

The budget proposes to change the default method of correspondence for businesses that use the CRA's My Business Account portal to electronic only. However, businesses could still choose to also receive paper correspondence.

This measure would come into force on Royal Assent of the enacting legislation.

Information Returns

The budget proposes to allow issuers of T4A (Statement of Pension, Retirement, Annuity and Other Income) and T5 (Statement of Investment Income) information returns to provide them electronically without having to also issue a paper copy and without the taxpayer having to authorize the issuer to do so.

This measure would apply in respect of information returns sent after 2021.

Electronic Payments

The budget proposes that electronic payments be required for remittances over \$10,000 under the *Income Tax Act*. In addition, the threshold for mandatory remittances to be made at a financial institution under the GST/HST be lowered from \$50,000 to \$10,000.

This measure would apply to payments made on or after January 1, 2022.

This measure would come into force on Royal Assent of the enacting legislation.

BUSINESS INCOME TAX MEASURES

Emergency Business Supports

The budget proposes to extend the Canada Emergency Wage Subsidy (CEWS), the Canada Emergency Rent Subsidy and the Lockdown Support until September 2021. The subsidy rates would gradually decline over the July-to-September period.

The budget also proposes to provide the government with the legislative authority to add additional qualifying periods for the wage subsidy, the rent subsidy and the Lockdown



Support until November 20, 2021, should the economic and public health situation warrant it.

Canada Emergency Wage Subsidy

Support for Active Employees

The budget proposes the wage subsidy rate structures set out in [Table 1](#) in appendix for June 6, 2021 to September 25, 2021.

As illustrated in the table, the subsidy rates would be gradually phased out starting on July 4, 2021. Furthermore, only employers with a decline in revenues of more than 10 % would be eligible for the wage subsidy as of that date.

Support for Furloughed Employees

To ensure that the wage subsidy for furloughed employees remains aligned with benefits available under employment insurance (EI), the budget proposes that the weekly wage subsidy for a furloughed employee from June 6, 2021 to August 28, 2021 be the lesser of:

- > the amount of eligible remuneration paid in respect of the week; and
- > the greater of:
 - \$500; and
 - 55 % of pre-crisis remuneration for the employee, up to a maximum subsidy amount of \$595.

The wage subsidy for furloughed employees would continue to be available to eligible employers that qualify for the wage subsidy for active employees for the relevant period until August 28, 2021. Employers will also continue to be entitled to claim under the wage subsidy their portion of contributions in respect of the Canada Pension Plan, EI, the Quebec Pension Plan and the Quebec Parental Insurance Plan in respect of furloughed employees.

Reference Periods

The budget proposes the reference periods set out in [Table 2](#) in appendix for determining an eligible employer's decline in revenues for the qualifying periods from June 6, 2021 to September 25, 2021.

Employers that had chosen to use the general approach for prior periods would be required to continue to use that approach. Similarly, employers that had chosen to use the alternative

approach would be required to continue to use the alternative approach.

Baseline Remuneration

The budget proposes to allow an eligible employer to elect to use the following alternative baseline remuneration periods:

- > March 1 to June 30, 2019 or July 1 to December 31, 2019, for the qualifying period between June 6, 2021 and July 3, 2021; and
- > July 1 to December 31, 2019, for qualifying periods beginning after July 3, 2021.

Canada Emergency Rent Subsidy

Rate Structure

The budget proposes the base rent subsidy rate structures set out in [Table 3](#) for June 6, 2021 to September 25, 2021.

As illustrated in the table, the subsidy rates would be gradually phased out starting on July 4, 2021. Furthermore, only organizations with a decline in revenues of more than 10 % would be eligible for the base rent subsidy.

Revenue-Decline Calculation

Both the rent subsidy and the wage subsidy use the same calculation to determine an organization's revenue decline. As a result, the same reference periods are used to calculate an organization's decline in revenues for the wage subsidy and the rent subsidy. Likewise, if an organization elects to use an alternative method for computing its revenue decline under the wage subsidy, it must use that alternative method for the rent subsidy.

Purchase of Business Assets

For the purpose of the rent subsidy, an applicant is required to have a business number with the CRA.

If certain conditions are met, the wage subsidy rules provide that an eligible entity that purchases the assets of a seller will be deemed to meet the payroll account requirement if the seller met the requirement.

The budget proposes to introduce a similar deeming rule that would apply in the context of the rent subsidy, where the seller met the business number requirement. This measure would apply as of the start of the rent subsidy.



Lockdown Support

The budget proposes to extend, for the qualifying periods from June 6, 2021 to September 25, 2021, the current 25% rate for the Lockdown Support.

Canada Recovery Hiring Program

The budget proposes to provide eligible employers with a subsidy of up to 50 % on the incremental remuneration paid to eligible employees between June 6, 2021 and November 20, 2021.

An eligible employer would be permitted to claim either the hiring subsidy or the CEWS for a particular qualifying period, but not both.

Eligible Employers

Employers eligible for the CEWS would generally be eligible for the hiring subsidy. However, a for-profit corporation would be eligible for the hiring subsidy only if it is a Canadian-controlled private corporation (including a cooperative corporation that is eligible for the small business deduction). Other eligible employers would include individuals, non-profit organizations, registered charities, and certain partnerships.

Corporations and trusts that are ineligible for the CEWS because they are public institutions would not be eligible for the hiring subsidy.

Eligible employers (or their payroll service provider) would be required to have had a payroll account open with the CRA on March 15, 2020.

Eligible Employees

An eligible employee must be employed primarily in Canada by an eligible employer throughout a qualifying period (or the portion of the qualifying period throughout which the individual was employed by the eligible employer).

The hiring subsidy would not be available for furloughed employees. An employee would not be considered to be on leave with pay for the purposes of the hiring subsidy if they are on a period of paid absence, such as vacation leave, sick leave, or a sabbatical.

Eligible Remuneration and Incremental Remuneration

The types of remuneration eligible for the CEWS would also be eligible for the hiring subsidy.

Incremental remuneration for a qualifying period means the difference between an employer's total eligible remuneration paid to eligible employees for the qualifying period and its total eligible remuneration paid to eligible employees for the baseline period. In both the qualifying period and the baseline period, eligible remuneration for each eligible employee would be subject to a maximum of \$1,129 per week.

The eligible remuneration for a non-arm's length employee for a week could not exceed their baseline remuneration determined for that week.

The applicable dates for the calculation of the incremental remuneration are shown in [Table 4](#) in appendix.

Subsidy Amount

Provided that an eligible employer's decline in revenues exceeds the revenue decline threshold for a qualifying period, its subsidy in that qualifying period would be equal to its incremental remuneration multiplied by the applicable hiring subsidy rate for that qualifying period. These hiring subsidy rates are shown in [Table 5](#) in appendix.

Revenue-Decline Threshold

To qualify for a hiring subsidy in a qualifying period, an eligible employer would have to have experienced a decline in revenues sufficient to qualify for the CEWS in that qualifying period.

As such, an eligible employer's decline in revenues would have to be more than:

- > 0 %, for the qualifying period between June 6, 2021 and July 3, 2021; and
- > 10 %, for qualifying periods between July 4, 2021 and November 20, 2021.

An employer's decline in revenues would be determined in the same manner as under the CEWS.

Employers that had chosen to use the general approach for prior periods of the CEWS would be required to continue to use that approach for the hiring subsidy. Similarly, employers that had chosen to use the alternative approach would be required to continue to use the alternative approach.

The reference periods set out in [Table 6](#) in appendix would be used to determine an eligible employer's decline in revenues for the qualifying



periods from June 6, 2021 to November 20, 2021.

An application for the hiring subsidy for a qualifying period would be required to be made no later than 180 days after the end of the qualifying period.

Immediate Expensing

The budget proposes to provide temporary immediate expensing in respect of certain property acquired by a Canadian-Controlled Private Corporation (CCPC). This immediate expensing would be available for “eligible property” acquired by a CCPC on or after April 19, 2021 and that becomes available for use before January 1, 2024, up to a maximum amount of \$1.5 million per taxation year. The immediate expensing would only be available for the year in which the property becomes available for use. The \$1.5 million limit would be shared among associated members of a group of CCPCs. The limit would be prorated for taxation years that are shorter than 365 days. The half-year rule would be suspended for property for which this measure is used. For those CCPCs with less than \$1.5 million of eligible capital costs, no carry-forward of excess capacity would be allowed.

Eligible Property

Eligible property under this new measure would be capital property that is subject to the CCA rules, other than property included in CCA classes 1 to 6, 14.1, 17, 47, 49 and 51. Thus generally long-lived assets such as buildings are not eligible.

Interactions of the Immediate Expensing with Other Provisions

CCPCs with capital costs of eligible property in a taxation year that exceed \$1.5 million would be allowed to decide to which CCA class the immediate expensing would be attributed and any excess capital cost would be subject to the normal CCA rules.

The availability of other enhanced deductions under existing rules – such as the full expensing for manufacturing and processing machinery and equipment and for clean energy equipment would not reduce the maximum amount available under this new measure.

Immediate expensing under this new rule would not change the total amount that can be deducted

over the life of a property – the larger deduction taken in the first year in respect of a property would eventually be offset by a smaller deduction, if any, in respect of the property in future years.

Restrictions

In certain circumstances, rules can restrict a CCA deduction, or a loss in respect of such a deduction, that would otherwise be available. These integrity rules would continue to apply.

Property that has been used, or acquired for use, for any purpose before it was acquired by the taxpayer would be eligible for the immediate expensing only if both of the following conditions are met:

- > neither the taxpayer nor a non-arm's length person previously owned the property; and
- > the property has not been transferred to the taxpayer on a tax-deferred “rollover” basis.

Coming Into Force

This measure would apply for eligible property that is acquired on or after April 19, 2021 and that becomes available for use before 2024.

Capital Cost Allowance for Clean Energy Equipment

To support investment in clean technologies, the budget proposes to expand Classes 43.1 and 43.2.

Film or Video Production Tax Credits

The budget proposes to temporarily extend certain timelines for the Canadian Film or Video Production Tax Credit (CPTC) and the Film or Video Production Services Tax Credit (PSTC).

These measures would be available in respect of productions for which eligible expenditures were incurred by taxpayers in their taxation years ending in 2020 or 2021.

Mandatory Disclosure Rules

The government is consulting on proposals to enhance Canada's mandatory disclosure rules. This consultation will address:

- > changes to the *Income Tax Act's* reportable transaction rules;
- > a new requirement to report notifiable transactions;
- > a new requirement for specified corporations to report uncertain tax treatments; and



- > related rules providing for, in certain circumstances, the extension of the applicable reassessment period and the introduction of penalties.

A specified corporation will include corporations with at least \$50 million in assets at the end of the financial year, has audited financial statements and those financial statements reflect uncertainty with at least one tax position.

It is proposed that, to the extent the proposed measure applies to taxation years, amendments made as a result of this consultation would apply to taxation years that begin after 2021. To the extent the proposed measure applies to transactions, the amendments would apply to transactions entered into on or after January 1, 2022. However, the penalties would not apply to transactions that occur before the date on which the enacting legislation receives Royal Assent.

Avoidance of Tax Debts

The *Income Tax Act* has an anti-avoidance rule (the “tax debt avoidance rule”) that is intended to prevent taxpayers from avoiding their tax liabilities by transferring their assets to non-arm’s length persons for insufficient consideration. In these circumstances, the rule causes the transferee to be jointly and severally liable with the transferor for tax debts of the transferor for the current or any prior taxation year, to the extent that the value of the property transferred exceeds the amount of consideration given for the property.

Deferral of Tax Debts

An anti-avoidance rule would be introduced that would provide that, for the purposes of the tax debt avoidance rule, a tax debt would be deemed to have arisen before the end of the taxation year in which a transfer of property occurs if it is reasonable to conclude that:

- > the transferor (or a person that does not deal at arm’s length with the transferor) had knowledge (or would have knowledge if they had made reasonable inquiries) that there would be a tax amount owing by the transferor (or there would be a tax amount owing if not for additional tax planning done as part of the series of transactions that includes the transfer) that would arise after the end of the taxation year; and

- > one of the purposes for the transfer of property was to avoid the payment of the future tax debt.

Avoidance of Non-Arm’s Length Status

The budget proposes an anti-avoidance rule that would provide that, for the purposes of the tax debt avoidance rule, a transferor and transferee that, at the time of a transfer of property, would otherwise be considered to be dealing with each other at arm’s length, would be deemed to have not been dealing with each other at arm’s length at that time if:

- > at any time within a series of transactions or events that includes the transfer, the transferor and transferee do not deal at arm’s length; and
- > it is reasonable to conclude that one of the purposes of a transaction or event (or a series of transactions or events) within that series was to cause the transferor and transferee to deal at arm’s length at the time of transfer.

Valuations

A rule would be introduced such that, for transfers of property that are part of a series of transactions or events, the overall result of the series would be considered in determining the values of the property transferred and the consideration given for the property, rather than simply using those values at the time of the transfer.

Penalty

A penalty would also be introduced for planners and promoters of tax debt avoidance schemes. The penalty would be equal to the lesser of:

- > 50% of the tax that is attempted to be avoided; and
- > \$100,000 plus the promoter’s or planner’s compensation for the scheme.

Application

The rules would apply in respect of transfers of property that occur on or after April 19, 2021.

Similar amendments would be made to comparable provisions in other federal statutes.

CRA Audit Authority

The budget proposes amendments that would confirm that CRA officials have the authority to require persons to answer all proper questions,



and to provide all reasonable assistance, for any purpose related to the administration or enforcement of the relevant statute. They would also provide that CRA officials have the authority to require persons to respond to questions orally or in writing, including in any form specified by the relevant CRA official. These amendments would allow the CRA to undertake audit and other compliance activities in the same manner as it did prior to the decision.

These measures would come into force on Royal Assent.

SALES AND EXCISE TAX MEASURES

Application of the GST/HST to E-commerce

Proposed Amendments

Safe Harbour Rules

The budget proposes additional rules that would:

- > impose joint and several liability on a platform operator and a third-party supplier for the collection and remittance of tax, if the third-party supplier provides false information to the platform operator; and
- > limit the liability of a platform operator for failure to collect and remit tax, if the platform operator reasonably relied on the information provided by a third-party supplier.

Under the proposed rules, the platform operator would be relieved from liability to the extent that it did not collect and remit tax (i.e., where it partially collected tax, it would remain liable for those amounts) and the third-party supplier that provided false information would be liable for any amounts not collected.

Eligible Deductions

The budget proposes an amendment to clarify that suppliers registered for the GST/HST under the simplified framework are eligible to deduct amounts for bad debts and certain provincial HST point-of-sale rebates to purchasers (e.g., in respect of audio books) from the tax that they are required to remit, and that public libraries and similar institutions are eligible to claim a rebate for the GST paid on audio books acquired from those suppliers.

Threshold Amount Determination

A non-resident vendor or distribution platform operator with sales to consumers in Canada that exceed, or are expected to exceed, \$30,000 over a 12-month period is required to register for the GST/HST under the simplified framework and charge the GST/HST on their sales. The budget proposes to clarify that supplies of digital products or services that are GST/HST-free (i.e., zero-rated) are not included in the calculation of the threshold amount for determining if a person is required to be registered for the GST/HST under the simplified framework.

Platform Operator Information Return

The budget proposes to clarify that the requirement to file an annual information return applies only to platform operators that are registered or are required to be registered for the GST/HST.

Authority for the Minister of National Revenue to Register a Person

The budget proposes to provide the Minister of National Revenue the authority to register a person that the Minister believes should be registered under the simplified framework.

Administration and Compliance Approach

Where the affected businesses and platform operators show that they have taken reasonable measures but are unable to meet their new obligations for operational reasons, the CRA will take a practical approach to compliance and exercise discretion in administering these measures during a 12-month transition period, starting from the July 1, 2021 coming into force date.

GST New Housing Rebate Conditions

The budget proposes to remove the condition that where two or more individuals buy a new home together, each of them must be acquiring the home for use as their primary place of residence or the primary place of residence of a relation. Instead, the GST New Housing Rebate would be available as long as the new home is acquired for use as the primary place of residence of any one of the purchasers or a relation of any one of the purchasers.



In addition to new homes purchased from a builder, the GST New Housing Rebate is available in respect of owner-built homes. The proposed change to the rebate conditions would also be applicable in these circumstances. The proposed change would also apply to new housing rebates in respect of the provincial component of the HST.

This measure would apply to a supply made under an agreement of purchase and sale entered into after April 19, 2021. However, in the case of a rebate for owner-built homes, the measure would apply where construction or substantial renovation of the residential complex is substantially completed after April 19, 2021.

Excise Duty on Vaping Products

The budget proposes to implement a tax on vaping products in 2022 through the introduction of a new excise duty framework.

The government invites input from industry and stakeholders on these proposals.

Tax on Select Luxury Goods

The budget proposes to introduce a tax on the retail sale of new luxury cars and personal aircraft priced over \$100,000, and boats priced over \$250,000, effective as of January 1, 2022.

Tax Base

Luxury Vehicles

It is proposed that all new passenger vehicles typically suitable for personal use be included in the base, including coupes, sedans, station wagons, sports cars, passenger vans and minivans equipped to accommodate less than 10 passengers, SUVs, and passenger pick-up trucks.

It is proposed that the following vehicles typically purchased for personal use be excluded from the base:

- > Motorcycles and certain off-road vehicles, such as all-terrain vehicles and snowmobiles;
- > Racing cars (i.e., vehicles that are not street legal and are owned solely for on-track or off-road racing); and
- > Motor homes (commonly known as recreational vehicles, or RVs) that are designed to provide temporary living, sleeping, or eating accommodation for travel,

vacation, seasonal camping, or recreational use.

For greater certainty, off-road, construction, and farm vehicles would fall outside the scope of the tax. Similarly, certain commercial (e.g., heavy-duty vehicles such as some trucks and cargo vans) and public sector (such as buses, police cars and ambulances) vehicles, as well as hearses, would not be subject to the tax.

Aircraft

It is proposed that the tax apply to all new aircraft typically suitable for personal use, including airplanes, helicopters and gliders.

Boats

It is proposed that the tax apply to new boats such as yachts, recreational motorboats and sailboats, typically suitable for personal use. Smaller personal watercraft (e.g., water scooters) would be excluded from the base.

Tax Rate

For vehicles and aircraft priced over \$100,000, the amount of the tax would be the lesser of 10% of the full value of the vehicle or the aircraft, or 20% of the value above \$100,000.

For boats priced over \$250,000, the amount of the tax would be the lesser of 10% of the full value of the boat or 20% of the value above \$250,000.

Treatment under the GST/HST

The GST/HST would apply to the final sale price, inclusive of the proposed tax.

Next Steps

Further details will be announced in the coming months.

OTHER MEASURES

Digital Services Tax

The budget proposes to implement a Digital Services Tax (DST) at a rate of 3 percent on revenue from digital services that rely on data and content contributions from Canadian users. The tax would apply to large businesses with gross revenue of 750 million euros or more. It would apply as of January 1, 2022, until an acceptable multilateral approach comes into effect.



The government welcomes feedback from stakeholders on the proposed approach to implementing the DST.

Tax on Unproductive Use of Canadian Housing by Foreign Non-resident Owners

The budget proposes to introduce a new national 1% tax on the value of non-resident, non-Canadian owned residential real estate considered to be vacant or underused. This tax would be levied annually beginning in 2022.

The tax will require all owners, other than Canadian citizens or permanent residents of Canada, to file a declaration as to the current use of the property, with significant penalties for failure to file.

In the coming months, the government will release a backgrounder to provide stakeholders with an opportunity to comment.



APPENDIX

Table 1

Canada Emergency Wage Subsidy Base and Top-up Rate Structure, Periods 17 to 20 (June 6, 2021 to September 25, 2021)				
	Period 17 June 6 to July 3	Period 18 July 4 to July 31	Period 19 August 1 to August 28	Period 20 August 29 to September 25
Maximum weekly benefit per employee*	\$847	\$677	\$452	\$226
Revenue decline:				
70% and over	75% (i.e., Base: 40% + Top-up: 35%)	60% (i.e., Base: 35% + Top-up: 25%)	40% (i.e., Base: 25% + Top-up: 15%)	20% (i.e., Base: 10% + Top-up: 10%)
50 to 69%	Base: 40% + Top-up: (revenue decline - 50%) x 1.75 (e.g., 40% + (60% revenue decline - 50%) x 1.75 = 57.5% subsidy rate)	Base: 35% + Top-up: (revenue decline - 50%) x 1.25 (e.g., 35% + (60% revenue decline - 50%) x 1.25 = 47.5% subsidy rate)	Base: 25% + Top-up: (revenue decline - 50%) x 0.75 (e.g., 25% + (60% revenue decline - 50%) x 0.75 = 32.5% subsidy rate)	Base: 10% + Top-up: (revenue decline - 50%) x 0.5 (e.g., 10% + (60% revenue decline - 50%) x 0.5 = 15% subsidy rate)
>10-50%	Base: revenue decline x 0.8 (e.g., 30% revenue decline x 0.8 = 24% subsidy rate)	Base: (revenue decline - 10%) x 0.875 (e.g., (30% revenue decline - 10%) x 0.875 = 17.5% subsidy rate)	Base: (revenue decline - 10%) x 0.625 (e.g., (30% revenue decline - 10%) x 0.625 = 12.5% subsidy rate)	Base: (revenue decline - 10%) x 0.25 (e.g., (30% revenue decline - 10%) x 0.25 = 5% subsidy rate)
0-10%	Base: revenue decline x 0.8 (e.g., 5% revenue decline x 0.8 = 4% subsidy rate)	0%	0%	0%
* The maximum weekly benefit per employee is equal to the maximum combined base subsidy and top-up wage subsidy for the qualifying period applied to the amount of eligible remuneration paid to the employee for the qualifying period, on remuneration of up to \$1,129 per week.				



Table 2

Canada Emergency Wage Subsidy Reference Periods, Periods 17 to 20 (June 6, 2021 to September 25, 2021)				
Timing	Period 17 June 6 to July 3	Period 18 July 4 to July 31	Period 19 August 1 to August 28	Period 20 August 29 to September 25
General approach	June 2021 over June 2019 or May 2021 over May 2019	July 2021 over July 2019 or June 2021 over June 2019	August 2021 over August 2019 or July 2021 over July 2019	September 2021 over September 2019 or August 2021 over August 2019
Alternative approach	June 2021 or May 2021 over average of January and February 2020	July 2021 or June 2021 over average of January and February 2020	August 2021 or July 2021 over average of January and February 2020	September 2021 or August 2021 over average of January and February 2020

Table 3

Canada Emergency Rent Subsidy Base Rate Structure*, Periods 17** to 20 (June 6, 2021 to September 25, 2021)				
	Period 17 June 6 to July 3	Period 18 July 4 to July 31	Period 19 August 1 to August 28	Period 20 August 29 to September 25
Revenue decline:				
70% and over	65%	60%	40%	20%
50 to 69%	40% + (revenue decline - 50%) x 1.25 (e.g., 40% + (60% revenue decline - 50%) x 1.25 = 52.5% subsidy rate)	35% + (revenue decline - 50%) x 1.25 (e.g., 35% + (60% revenue decline - 50%) x 1.25 = 47.5% subsidy rate)	25% + (revenue decline - 50%) x 0.75 (e.g., 25% + (60% revenue decline - 50%) x 0.75 = 32.5% subsidy rate)	10% + (revenue decline - 50%) x 0.5 (e.g., 10% + (60% revenue decline - 50%) x 0.5 = 15% subsidy rate)
>10-50%	Revenue decline x 0.8 (e.g., 30% revenue decline x 0.8 = 24% subsidy rate)	(Revenue decline - 10%) x 0.875 (e.g., (30% revenue decline - 10%) x 0.875 = 17.5% subsidy rate)	(Revenue decline - 10%) x 0.625 (e.g., (30% revenue decline - 10%) x 0.625 = 12.5% subsidy rate)	(Revenue decline - 10%) x 0.25 (e.g., (30% revenue decline - 10%) x 0.25 = 5% subsidy rate)
0-10%	Revenue decline x 0.8 (e.g., 5% revenue decline x 0.8 = 4% subsidy rate)	0%	0%	0%
<p>* Expenses for each qualifying period are capped at \$75,000 per location and are subject to an overall cap of \$300,000 that is shared among affiliated entities.</p> <p>** Period 17 of the Canada Emergency Wage Subsidy would be the tenth period of the Canada Emergency Rent Subsidy. Period identifiers have been aligned for ease of reference.</p>				



Table 4

Canada Recovery Hiring Program Dates Used to Calculate Incremental Remuneration, Periods 17* to 22 (June 6, 2021 to November 20, 2021)						
Qualifying period	Period 17 June 6 to July 3	Period 18 July 4 to July 31	Period 19 August 1 to August 28	Period 20 August 29 to September 25	Period 21 September 26 to October 23	Period 22 October 24 to November 20
Baseline period	March 14 to April 10, 2021					
* Period 17 of the Canada Emergency Wage Subsidy would be the first period of the Canada Recovery Hiring Program. Period identifiers have been aligned for ease of reference.						

Table 5

Canada Recovery Hiring Program Rates, Periods 17* to 22 (June 6, 2021 to November 20, 2021)						
	Period 17 June 6 to July 3	Period 18 July 4 to July 31	Period 19 August 1 to August 28	Period 20 August 29 to September 25	Period 21 September 26 to October 23	Period 22 October 24 to November 20
Hiring subsidy rate	50%	50%	50%	40%	30%	20%
* Period 17 of the Canada Emergency Wage Subsidy would be the first period of the Canada Recovery Hiring Program. Period identifiers have been aligned for ease of reference.						

Table 6

Canada Recovery Hiring Program Reference Periods, Periods 17* to 22 (June 6, 2021 to November 20, 2021)						
Timing	Period 17 June 6 to July 3	Period 18 July 4 to July 31	Period 19 August 1 to August 28	Period 20 August 29 to September 25	Period 21 September 26 to October 23	Period 22 October 24 to November 20
General approach	June 2021 over June 2019 or May 2021 over May 2019	July 2021 over July 2019 or June 2021 over June 2019	August 2021 over August 2019 or July 2021 over July 2019	September 2021 over September 2019 or August 2021 over August 2019	October 2021 over October 2019 or September 2021 over September 2019	November 2021 over November 2019 or October 2021 over October 2019
Alternative approach	June 2021 or May 2021 over average of January and February 2020	July 2021 or June 2021 over average of January and February 2020	August 2021 or July 2021 over average of January and February 2020	September 2021 or August 2021 over average of January and February 2020	October 2021 or September 2021 over average of January and February 2020	November 2021 or October 2021 over average of January and February 2020
* Period 17 of the Canada Emergency Wage Subsidy would be the first period of the Canada Recovery Hiring Program. Period identifiers have been aligned for ease of reference.						

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