**On this page**

* [**Overview**](https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-frequently-asked-questions.html#h_1)

1. What is the Canada Emergency Wage Subsidy?

* **Relevant periods**

2. What are the relevant periods for calculating the wage subsidy?

* [**Eligibility**](https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-frequently-asked-questions.html#h_2)

3. Which employers are eligible for the wage subsidy?

3-01. Are all trusts eligible to claim the wage subsidy?

3-02. Can a non-resident corporation be an eligible employer if its income is excluded in computing its income under the Act because of a tax treaty?

3-1. How does the wage subsidy apply to an eligible employer that is a partnership?

3-2. Are there any prescribed organizations that are eligible employers for the purposes of the wage subsidy?

3-3. What is a tax-exempt corporation under paragraph 149(1)(d.5) or (d.6) for purposes of the prescribed organizations?

3-4. If a partnership has one or more members that are Indigenous governments, will it qualify for the wage subsidy?

3-5. Where a partnership has both eligible employers (including prescribed organizations), and non-eligible employers as its members, will such a partnership qualify for the wage subsidy?

3-6. If a partnership has one or more members that are prescribed organizations, will it qualify for the wage subsidy?

3-7. Are all schools and colleges eligible for the wage subsidy?

3-8. Can an eligible employer that hires a third party to facilitate the administration of its payroll, qualify for the wage subsidy?

4. How does an eligible employer qualify for the wage subsidy?

* **Determination of Reduction in revenue**

5. How is the reduction in revenue determined for claim periods 1 to 4?

5-01. How is the revenue reduction determined for claim periods 5 to 9?

5-02. Can an eligible employer qualify for the wage subsidy if it does not have a revenue reduction in a claim period?

5-03. What is the deeming rule for claim periods 5 to 9?

5-04. What is the revenue reduction safe harbour rule for periods 5 and 6?

* [**Calculating Revenues**](https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-frequently-asked-questions.html#h_3)

6-2. Is government assistance directly related to the COVID-19 crisis considered an extraordinary item for purposes of calculating the qualifying revenue of an eligible employer?

6-2.1. If an eligible employer changes its operations to manufacture essential products during the pandemic, which generates revenues but no profit, is the revenue included in qualifying revenue?

6-3. Can an eligible employer deduct its bad debts when determining its qualifying revenue under the accrual method?

6-4. Can a corporation formed on the amalgamation of two or more predecessor corporations, or where one corporation is wound up into another, qualify for the wage subsidy?

6-5. Where a sole proprietorship business is incorporated, can the corporation use the revenue of proprietorship for the prior period to determine the decline in its qualifying revenue?

6-6. Can an eligible employer's qualifying revenue for a reference period be adjusted to account for changes in business operations of an eligible employer's business?

6-7. How do foreign exchange rate fluctuations affect the computation of qualifying revenue?

6-8. How will an eligible employer that files its income tax returns using a functional currency compute its qualifying revenue?

* **Special rules for calculating revenue**

7. Are there special rules for calculating the qualifying revenue of a registered charity or non-profit organization?

8. Are there special rules for calculating the qualifying revenue of an eligible employer that derives its revenue from one or more non-arm's length persons or partnerships?

8-01. Where an eligible employer elects to calculate its qualifying revenue using the special rule (see Q8), can a non-resident’s qualifying revenue be computed using a foreign currency?

8-1. What is the meaning of the phrase “all or substantially all” in the special rules referred to in questions 8 and 11?

8-2. What factors are used to determine if a partnership is not dealing at arm’s length with a partnership of which it is a member?

8-3. Are there special rules that apply for calculating the qualifying revenue where an eligible employer acquired assets from a third party?

9-1. How is the qualifying revenue arising in the course of ordinary activities in Canada determined when a consolidated group includes non-residents of Canada?

* **Special rules for affiliated groups**

10. Are there special rules for calculating the qualifying revenue of members of an affiliated group?

10-1. What is the meaning of the term “affiliated” and “affiliated group” in the special rules referred to in question 10?

10-2. Can affiliated corporations that are not in the same ownership chain, determine their qualifying revenue on a consolidated basis, even if they cannot prepare consolidated financial statements?

10-3. Will the CRA accept one signed election (see Q10) by an authorized representative on behalf of all members of an affiliated group?

* **Special rules for joint venture**

11. Are there special rules when an eligible employer is owned by participants in a joint venture?

* **Accounting method and election**

12. Can I choose between the cash and the accrual method of accounting when determining my qualifying revenue?

12-1. Can an eligible employer change their approach used for calculating the qualifying revenue from claim period to claim period?

12-2. Is there a specific form where an eligible employer could attest that appropriate elections have been made?

* [**Eligible Employees**](https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-frequently-asked-questions.html#h_4)

13. Who is an eligible employee?

14. Can an eligible employer claim the wage subsidy for an employee that the employer hires back and pays retroactively?

14-1. If an eligible employer rehires an employee or hires a new employee who may have received CERB payments, will the employee be required to repay any or all of the CERB payments?

15. Can an eligible employer claim the wage subsidy in respect of an eligible employee who has received payments under the CERB?

16. Can a non-resident employee be an eligible employee?

* [**Eligible Remuneration**](https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-frequently-asked-questions.html#h_5)

17. What is eligible remuneration?

17-01. Can the value of a non-cash taxable benefit, such as a stand-by charge for the personal use of a corporate vehicle, be claimed for the wage subsidy?

17-02. Are non-taxable employee benefits, such as employer contributions to a registered pension plan or a private health services plan, included in eligible remuneration paid to an eligible employee?

17-1. Are tips included in eligible remuneration?

17-2. In an owner-managed corporation, is the salary and dividends paid to the owner-manager considered eligible remuneration for the purpose of the wage subsidy?

17-3. Are sick pay, vacation pay and statutory holiday pay included in eligible remuneration?

* **Baseline remuneration**

18. What is baseline remuneration?

18-1. Can eligible remuneration be retroactively paid to increase baseline remuneration?

* **Non-taxable remuneration**

19. Will an eligible employer qualify for the wage subsidy in respect of eligible remuneration that it pays, if the amount is not taxable to the eligible employee?

* [**Calculating the wage subsidy**](https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-frequently-asked-questions.html#h_6) **for periods 1 to 4**

20. How is the wage subsidy calculated?

* **Calculating the wage subsidy for periods 5 to 9**

20-01. How is the wage subsidy calculated for claim periods 5 and 6?

20-02. How is the wage subsidy calculated for claim periods 7 to 9?

* **Employees on leave with pay**

20-03. When is an employee considered to be on leave with pay?

* **Wage subsidy and other government assistance**

20-04. Does an eligible employer have to reduce the eligible remuneration of an employee for amounts received that are funded by another government program?

* **Base wage and top-up wage subsidy**

20-1. What is meant by base wage subsidy and top-up wage subsidy for the claim periods 5 to 9?

20-2. How is the base subsidy determined for claim periods 5 to 9?

20-3. How is the top-up wage subsidy calculated for claim periods 5 to 9?

20-4. When will an employer be eligible for both the base portion and the top-up portion of the wage subsidy?

* [**Claiming the wage subsidy**](https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-frequently-asked-questions.html#h_7)

20-5. Can an eligible employer round its revenue reduction percentage or related percentages when calculating the wage subsidy?

21. Will I be eligible for both the Canada Emergency Wage Subsidy and the 10% Temporary Wage Subsidy for Employers?

22. Can I claim the wage subsidy for an eligible employee even if they were hired after March 15, 2020?

23. Can an eligible employer claim the wage subsidy for an eligible employee even if they do not deal at arm's length with each other?

24. Is there a special rule for the amount of wage subsidy that can be claimed if an eligible employee is employed by two or more eligible employers?

25. Is the wage subsidy considered taxable income?

26. When can I claim the wage subsidy?

26-1. How do my biweekly, monthly, or semi-monthly pay periods align with the eligible remuneration paid in respect of each week?

26-2. Can I use an average daily wage if my payroll cycle does not align exactly with the wage subsidy claim period or do I have to use an exact daily figure?

27. How do I claim the wage subsidy?

* **Receiving your wage subsidy**

28. How soon can I expect to receive my wage subsidy after applying?

28-1. In what circumstances will I have to return or repay any or all of the wage subsidy that I received?

29. Are there any special T4 reporting requirements for the wage subsidy?

30. Will the wage subsidy be automatically applied against outstanding debt?

31. Will the CRA withhold my wage subsidy because of outstanding returns?

* [**Ensuring Compliance**](https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-frequently-asked-questions.html#h_8)

32. How will the CRA Ensure Compliance?

33. What books and records do I need to support my claim?

34. Are there penalties for non-compliance?

35. Will the CRA publish a list of employers that have applied for the CEWS?

36. What is the recourse process when the CRA denies part or all of the wage subsidy amount claimed by an employer?