



## Federal Wage Subsidy and Other Updates April 1, 2020

### Wage Subsidy

This program has been developed to encourage employers to keep employees on their payroll. It will reduce stress and bring greater certainty to the employees, while allowing employers to keep their work force intact to handle business where there is an economic rebound.

- The program will be in place for a 12-week period, retroactive to March 15 and ending June 6, 2020.
- Eligible businesses of all sizes and from all sectors of the economy, regardless of the number of workers they employ, that suffer a drop of at least 30% in gross revenues due to COVID-19 in March, April or May, when compared to the same month in 2019, would be able to access the subsidy.
- Businesses will have to apply for this subsidy each month and confirm that their revenue is down by at least 30%
- Businesses will have to attest that they are doing all that they can to pay the remaining 25% of salaries
- Wages per employee will be subsidized at 75% for wages that are up to \$57,700 per year. This means that the subsidy rate per employee is up to \$847 per week on a wage of up to \$1,129 per week.
- The government is encouraging companies to rehire employees
- For companies that are new start-ups (or otherwise can't compare to last year's revenue) the government is working on ways to identify the 30% drop in business. This is still being developed. For scenarios like this, you should discuss with a qualified accountant to ensure you understand the benefits, limitations and criteria of the program
- **Companies must pay employees first and then CRA will reimburse them. It is unlikely that businesses will be reimbursed within 6 weeks, so they must be able to cashflow the wages in the interim period**
- This program is short term and is intended to be in place for 3 months

**Note: Businesses should sign up for direct deposit as it will streamline and speed up the process of being reimbursed.**

### Other Updates

#### 1. Canada Emergency Business Account

- This provides interest-free loans of up to \$40,000 to small businesses and not-for-profits through their financial institutions.
- **Up to 25% of the loan will be forgiven if repaid by December 31, 2022.**
- Interest free for 1 year
- **More details to follow**

#### 2. Employer Assessment Tool

The Province of Nova Scotia has heard that businesses and non-profits need clarity on how they can comply with the Public Health Order. An on-line tool to quickly help employers determine if they may remain open, in compliance with current workplace safety requirements, has been posted to the provincial coronavirus website.

You can find the assessment tool here <https://covid19-employer-assessment.novascotia.ca/en>

**If your business needs help dealing with matters of provincial concerns**, including if your business is allowed to be open or not, please contact the Province of Nova Scotia's Business Navigators at 1-844-628-7347 from Monday to Friday, 8 am to 5 pm.

### 3. Nova Scotia Business Inc.'s Support Programs for Small Businesses

#### **Small Business Development Program**

NSBI has updated the Small Business Development Program. The program helps businesses work with a private consultant to overcome a pain point or barrier, or a business expert to help identify and develop the leadership skills needed to scale your company. [www.nsbic.ca/bdp](http://www.nsbic.ca/bdp)

#### **Virtual Training**

NSBI is providing more online digital content to support small and medium sized businesses access programming at times that work for them. The virtual workshops and training courses provide companies with vital strategies and hands-on tips on how to deal with the current crisis. More information can be found at <https://www.novascotiabusiness.com/events/nsbi.ca/events>

### 4. Business Support from Saint Mary's University Entrepreneurship Centre

In response to COVID-19, Saint Mary's University Entrepreneurship Centre is offering free virtual one-on-one strategy sessions to Atlantic Canadian entrepreneurs. The sessions aim to provide support, insight, and additional resources to help entrepreneurs overcome current challenges. More information can be found at <https://smuec.ca/>

#### **Other Partners and Supporting Organizations**

If you require general business assistance, the Canadian Federation of Independent Business has a help line for businesses to call. This help line is now open to both members and non-members of the CFIB. A link to the CFIB COVID-19 page is on our website

#### **The Cumberland Business Connector is working with our municipal partners, Chambers of Commerce, CBDC**

**Cumberland** and other local partners to assist the business community as much as possible. If you would like to talk to one of us, please send us an email to: [research@cumberlandbusinessconnector.ca](mailto:research@cumberlandbusinessconnector.ca) Please include your name and phone number and one of us will get back to you as quickly as possible.

It is expected that the Federal and Provincial Government will be continue to provide more details around new business support program as well as announce specific, incremental programs in the coming days.

In addition to the <https://www.cumberlandbusinessconnector.ca/covid-19.html> website, another good resource is the Amherst and Area Chamber of Commerce's website at <https://amherstchambers.ca/covid-19-information-page/>

**Rely on Government Websites for accurate information as the situation is changing daily.** If there are any discrepancies between this summary and government websites, the government websites should be taken as the most accurate and as the most up to date.

Take care and stay safe,

**Jonathan McClelland, CEO**  
**Cumberland Business Connector**