

## COVID-19 – Canada Emergency Wage Subsidy (CEWS) Frequently Asked Questions

Original: April 23, 2020

Most Recent Update: August 9, 2020

*To understand this subsidy, it is important to start by reviewing the most current information published by the government on the Canada Emergency Wage Subsidy. This information can be accessed by clicking on the following links:*

[Canada Emergency Wage Subsidy](#)  
[Frequently asked questions - Canada Emergency Wage Subsidy](#)

*The following set of “Frequently Asked Questions” is designed to provide some very high level information and to translate the government documentation into “church language”. They are not intended to provide all the details.*

*Although every attempt is being made to ensure that this information is up-to-date and accurate, due to changes that are continually being announced and better understood, it is possible that some of this information may not be current or interpreted differently by others. If you are aware of discrepancies, please email Keith Myra (kmyra@elcic.ca).*

### **Question: Do congregations qualify as an eligible employer for purposes of this subsidy?**

**Answer:** Congregations will qualify as an eligible employer if they have an active charitable registration number. Congregations that are part of a shared ministry arrangement will qualify, but the application will need to be made by the congregation that is acting as the employer.

### **Question: How much is this subsidy?**

**Answer:** The amount of the subsidy varies for each of the 10 periods. See the [Canada Emergency Wage Subsidy](#) document for details.

### **Question: What types of revenue must be included when calculating the revenue decrease percentage for each of the comparison periods?**

**Answer:** Revenue from all sources (except in the case of any grants received from the Eastern Synod or proceeds from the sale of capital (e.g. a building or other property)

must be included when determining whether the 15% and 30% decrease thresholds as compared to the baseline have been attained. Revenue from all sources includes:

- Received and non-received donations to all causes (e.g. operating fund, benevolence, capital fund, memorial fund, CLWR, etc.)
- Rental income
- Interest, investment income
- Bequests
- Etc.

**Question: Does our congregation need to demonstrate that a decline in revenue is attributable to COVID-19? Or is a decline that is caused by any reason legitimate?**

**Answer:** A decline for any reason is legitimate and does not need to be caused directly or indirectly by COVID-19.

**Question: What components of remuneration are included when determining the amount of remuneration that is eligible for the CEWS:**

**Answer:** Salary  
Housing Allowance (see note below)  
Taxable benefit amount on the Life Insurance Premium  
Book Allowance  
Car Allowance (if paid as a flat amount, independent of mileage incurred)

Note: Housing allowance is eligible regardless of whether the pastor:

- resides in accommodation that the pastor owns/rents , or
- resides in a parsonage owned by the congregation and receives a housing allowance from the congregation and pays rent to the congregation

However, in those cases where a pastor resides in a parsonage without a rental agreement, It appears as if the fair rental value of the parsonage cannot be included when calculating eligible remuneration for this subsidy.

**Question: Can the employer costs for health/dental benefits, pension contributions, continuing education allowance and car allowance (if reimbursed on a kilometre basis) be included when determining remuneration that is eligible for the CEWS?**

**Answer:** No. These benefits are not taxable and cannot be included.

**Question: Are payments made to those with contracts or who are self-employed that perform work for the congregation (e.g. music director, organist) eligible for this subsidy?**

**Answer:** No, the only situations that are eligible are those in which an employee/employer relationship exists, i.e. statutory deductions are being made and remitted to CRA, a T4 slip is issued, etc.)

**Question: How does a congregation apply for this subsidy?**

**Answer:** Application is made through your congregation's CRA "My Business Account". Refer to [How to Apply](#) for more details. Alternatively, you may apply using a separate online application form that is available.

**Question: When is a congregation able to apply for this subsidy?**

**Answer:** Applications will be accepted starting on April 27<sup>th</sup>, 2020, ending January 31<sup>st</sup>, 2021. All applications must apply to remuneration paid during one of the ten periods (March 15, 2020 to April 11, 2020; April 12, 2020 to May 9, 2020; or May 10, 2020 to June 6, 2020, etc.)

**Question: How does a congregation receive this subsidy?**

**Answer:** After processing the application, CRA will make payment to the congregation by direct deposits or mailed cheque.

**Question: Is a congregation able to apply for both the Temporary Wage Subsidy and the Canada Emergency Wage Subsidy?**

**Answer:** Yes, however, the CEWS payment will be reduced by the amount of the Temporary Wage Subsidy.

**Question: Is an employer required to top-up the subsidy so that the employee is fully compensated?**

**Answer:** Although there is no regulatory requirement that employers provide the top-up, employers are expected to make "as least their best efforts" to ensure that their employees receive their full pre-crisis compensation. Employers will need to attest to

this when submitting their CEWS applications. Consistent with its general practices, CRA may apply penalties in cases of fraudulent claims.

**Question: Is a congregation entitled to any additional subsidy if it has been paying an employee but there has not been any work for the employee to perform?**

**Answer:** Yes, in addition to the wage subsidy, you are permitted to claim reimbursement for the employer portion of CPP and EI payments that were made on behalf of the employee.

**Question: Government documentation indicates that this subsidy is taxable. Does this apply to our congregation?**

**Answer:** No, congregations are registered charities and exempt from paying income tax. The reference to taxes in the government documentation pertains to businesses.