

COVID-19 - Temporary Wage Subsidy Frequently Asked Questions

Original: April 23, 2020

Updated: April 27, 2020

To understand this subsidy, it is important to start by reviewing the most current information published by the government on the Temporary Wage Subsidy. This information can be accessed by clicking on the following link: [Temporary Wage Subsidy](#).

The following set of “Frequently Asked Questions” are 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. Exceptions may apply to those congregations that are in a parish alignment with one or more other congregations and where the employee(s) are paid by the parish, rather than the congregation. 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 subsidy is equal to 10% of the remuneration you pay from March 18, 2020 to June 19, 2020, up to \$1,375 for each eligible employee to a maximum of \$25,000 total per employer.

Question: What components of remuneration are included when determining the amount of remuneration that is eligible for the Temporary Wage Subsidy:

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

Nothing can be included in those cases where a pastor resides in a parsonage without a rental agreement.

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

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: You do not need to apply for the subsidy.

Question: When is a congregation able to start receiving this subsidy?

Answer: When you send your next payroll remittance to CRA, provided that you are claiming the subsidy for remuneration that was paid during the period from March 18, 2020 to June 19, 2020..

Question: How does a congregation receive this subsidy?

Answer: You continue to deduct income tax, Canada Pension Plan (CPP) contributions, and Employment Insurance (EI) premiums from salary, wages, or other remuneration paid to your employees, as you currently do.

The subsidy is calculated when you remit these amounts to the CRA.

Once you have calculated your subsidy, you can reduce your current payroll remittance of federal, provincial, or territorial income tax that you send to the CRA by the amount of the subsidy.

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

Answer: Yes, however, the CEWS payment will be reduced to the extent that the Temporary Wage Subsidy is received.

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: The Temporary Wage Subsidy does not provide an additional subsidy, however the Canada Emergency Wage Subsidy does provide an additional benefit to the employer in this situation.

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.