

Redesigned Canada Emergency Wage Subsidy (CEWS)

The Government of Canada is taking immediate, significant and decisive action through Canada's [COVID-19 Economic Response Plan](#) to support Canadians and protect jobs during the global COVID-19 pandemic, and to better position them for a strong recovery.

The Canada Emergency Wage Subsidy (CEWS) protects jobs by helping businesses keep employees on the payroll and encouraging employers to re-hire workers previously laid off. Since its launch, about 3 million Canadian employees have had their jobs supported through the CEWS, and that number continues to grow.

Finance Minister, Bill Morneau, announced proposed changes to the CEWS that would broaden the reach of the program and provide better targeted support so that more workers can return to their jobs quickly as the economy restarts. This support would continue to protect jobs and help Canadian businesses that are the most impacted.

The proposed changes included in the Government's draft legislative proposals would:

- Allow the extension of the CEWS until December 19, 2020, including redesigned program details until November 21, 2020.
- Make the subsidy accessible to a broader range of employers by including employers with a revenue decline of less than 30 per cent and providing a gradually decreasing base subsidy to all qualifying employers. This would help many struggling employers with less than a 30% revenue loss get support to keep and bring back workers, while also ensuring those who have previously benefited could still qualify, even if their revenues recover and no longer meet the 30% revenue decline threshold.
- Introduce a top-up subsidy of up to an additional 25% for employers that have been most adversely affected by the pandemic. This would be particularly helpful to employers in industries that are recovering more slowly.
- Provide certainty to employers that have already made business decisions for July and August by ensuring they would not receive a subsidy rate lower than they would have had under the previous rules.
- Address certain technical issues identified by stakeholders.

These proposed changes follow consultations with business and labour representatives on potential adjustments to the CEWS program aimed at ensuring that it continues to protect jobs and promote growth. By helping workers transition back to their jobs and supporting businesses as they increase revenues, these changes would ensure that employers have the certainty they need to hire back quickly as the economy improves and to best position workers and businesses for the future.

The government continues to assess and respond to the impacts of COVID-19 and stands ready to take additional actions as needed to stabilize the economy.

Quick Facts

- In order to implement the measures, the Government of Canada intends to introduce legislation to be considered by Parliament, and has shared draft legislative proposals.
- The government introduced the CEWS, as part of its [COVID-19 Economic Response Plan](#), in order to prevent further job losses, encourage employers to rehire workers previously laid off as a result of COVID-19, and help better position Canadian companies and other employers to more easily resume normal operations following the crisis.
- The CEWS was put in place for an initial 12-week period from March 15 to June 6, 2020, providing a 75% wage subsidy to eligible employers. On May 15, the Finance Minister, Bill Morneau, [announced](#) that the Government of Canada would extend the CEWS by an additional 12 weeks to August 29, 2020. The proposed changes would further extend the program until November 21, 2020, with the intent to provide further support until December 19, 2020.

For More Information & Associated Links

- [Adapting the Canada Emergency Wage Subsidy to Protect Jobs and Promote Growth](#)
- [Draft legislative proposals](#)
- [Canada's COVID-19 Economic Response Plan](#)