

Federal government proposes changes to Covid-19 business and worker support programs

On October 21, 2021, the federal government announced proposed changes to both business and worker support programs. It was confirmed that the CEWS (Canada Emergency Wage Subsidy) and the CERS (Canada Emergency Rent Subsidy) that were scheduled to end on October 23, 2021, would in fact come to an end. However, more focused assistance will be made available as discussed below. It is important to note that these changes have not yet passed into legislation.

New Tourism and Hospitality Recovery & Hardest-Hit Business Recovery Programs

1. **Tourism and Hospitality Recovery Program**, which would provide support through the wage and rent subsidy programs, to hotels, tour operators, travel agencies, and restaurants, with a subsidy rate of up to 75 per cent.
2. **Hardest-Hit Business Recovery Program**, which would provide support through the wage and rent subsidy programs, would support other businesses that have faced deep losses, with a subsidy rate of up to 50 per cent.

Applicants for these programs will use a new “two-key” eligibility system whereby they will need to demonstrate significant revenue losses over the course of 12 months of the pandemic, as well as revenue losses in the current month.

Businesses that face temporary new local lockdowns will be eligible for up to the maximum amount of the wage and rent subsidy programs, during the local lockdown, regardless of losses over the course of the pandemic.

These programs will be available until May 7, 2022, with the proposed subsidy rates available through to March 13, 2022. From March 13, 2022, to May 7, 2022, the subsidy rates will decrease by half.



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Canada Recovery Hiring Program

This program was initially reviewed in our July SmallBiz Builder. The changes announced include extending the program, which is set to expire on November 20th, 2021, until May 7, 2022. Under the proposed extension, the existing baseline period of March 14 to April 10, 2021, would continue to be used to calculate incremental remuneration. The existing eligibility rules would also continue to apply, including the required revenue decline of more than 10 percent. However, the subsidy rate will be increased back up to 50 per cent as at the start of the program.

Canada Recovery Sickness Benefit & Canada Recovery Caregiver Benefit

It is proposed that these 2 programs would be extended until May 7th, 2022.

New Canada Worker Lockdown Benefit

The Canada Recovery Benefit expired on October 23rd, 2021, and instead it is being replaced by a more targeted measure. The proposed new benefit would be:

- \$300 a week.
- Strictly available to workers whose work interruption is a direct result of a government-imposed public health lockdown.
- Available to workers who are ineligible for Employment Insurance (EI) and those who are eligible for EI, as long as they are not paid benefits through EI for the same period.

Individuals whose loss of income or employment is due to their refusal to adhere to a vaccine mandate would not be able to access the benefit.

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