

### This Month:

- Canada Recovery Hiring Program

## Canada Recovery Hiring Program

The Federal Budget 2021 introduced the new Canada Recovery Hiring Program to provide eligible employers with a subsidy of up to 50 per cent on the incremental remuneration paid to eligible employees between June 6, 2021, and November 20, 2021.

An eligible employer would be permitted to claim either the hiring subsidy or the Canada Emergency Wage Subsidy ("CEWS") for a particular qualifying period, but not both.

### Eligible Employers

Canadian Controlled Private Corporations eligible for the CEWS would generally be eligible for the hiring subsidy. Other eligible employers would include individuals, non-profit organizations, and certain partnerships.

Eligible employers (or their payroll service provider) would be required to have had a payroll account open with the Canada Revenue Agency on March 15, 2020.

### Eligible Remuneration and Incremental Remuneration

The types of remuneration eligible for the CEWS would also be eligible for the hiring subsidy.

Incremental remuneration for a qualifying period means the difference between an employer's total eligible remuneration paid to eligible employees for the qualifying period and its total eligible remuneration paid to eligible employees for the baseline period. In both the qualifying period and the baseline period, eligible remuneration for each eligible employee would be subject to a maximum of \$1,129 per week.

As is currently the case for the CEWS, the eligible remuneration for a non-arm's length employee for a week could not exceed their baseline remuneration determined for that week.

The applicable dates for the calculation of incremental remuneration are shown below:

Qualifying period	Period 17	Period 18	Period 19	Period 20	Period 21	Period 22
Qualifying period dates	June 6 to July 3, 2021	July 4 to July 31, 2021	August 1 to August 28, 2021	August 29 to September 25, 2021	September 26 to October 23, 2021	October 24 to November 20, 2021
Baseline period	March 14 to April 10, 2021					

## Subsidy

An eligible employer must have a decline in revenues sufficient to qualify for the CEWS in that period. For qualifying periods where the CEWS is no longer in effect (at this time, CEWS is projected to end with Period 20), an eligible employer would have to have experienced a decline in revenues of more than 10 per cent.

An employer's decline in revenues would be determined in the same manner as under the CEWS. This method compares the employer's revenues in a current calendar month with its revenues in the same calendar month, pre-pandemic. An employer can also elect to use an alternative approach, which compares the employer's monthly revenues relative to the average of its January 2020 and February 2020 revenues. Employers that had chosen to use the general approach for prior periods of the CEWS would be required to continue to use that approach for the Hiring Program. Similarly, employers that had chosen to use the alternative approach would be required to continue to use the alternative approach.

The subsidy amount would be equal to its eligible incremental remuneration multiplied by the Hiring subsidy rate (e.g. 50%, 40%, 30% or 20%) for the qualifying period. The rates for each period are shown below:

	Period 17 June 6 - July 3	Period 18 July 4 - July 31	Period 19 August 1 - August 28	Period 20 August 29 - September 25	Period 21 September 26 - October 23	Period 22 October 24 - November 20
Hiring subsidy rate	50%	50%	50%	40%	30%	20%

\*Period 17 of the Canada Emergency Wage Subsidy would be the first period of the Canada Recovery Hiring Program. Period identifiers have been aligned for ease of reference.

Contact your Padgett advisor to arrange for a consultation on which program is best for you.

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