CEWS ENTITLEMENT FLOWCHART
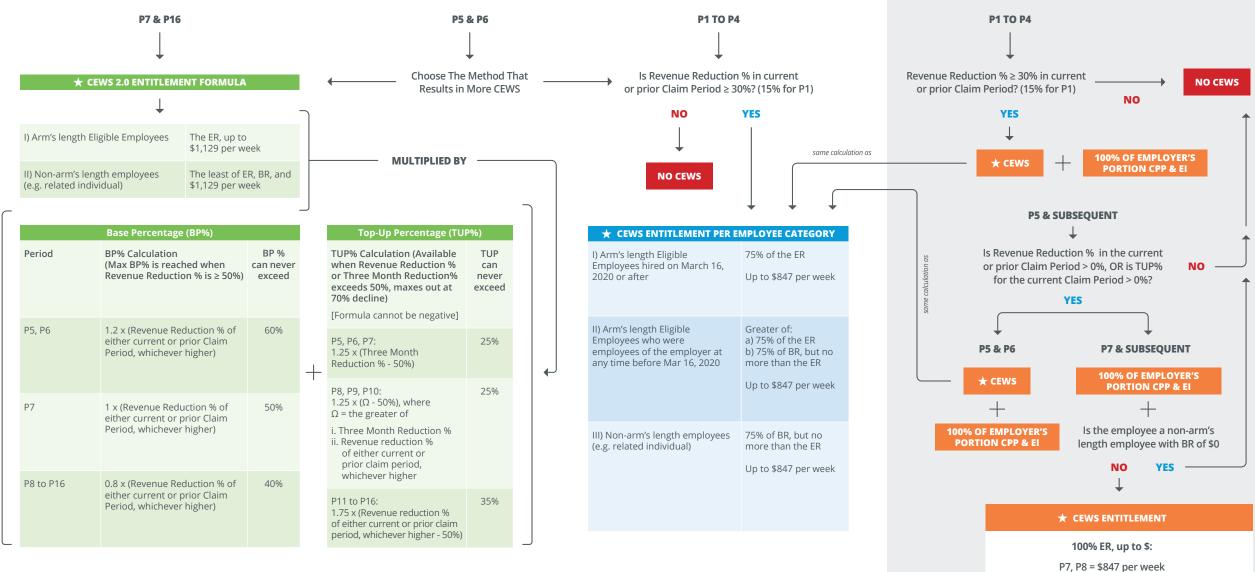
MOODYS PRIVATE CLIENT™
Explore what's possible.

WORKING ELIGIBLE EMPLOYEE

P7 & P16

★ **CEWS 2.0 ENTITLEMENT FORMULA**

I) Arm's length Eligible Employees	The ER, up to $1,129 per week
II) Non-arm's length employees (e.g. related individual)	The least of ER, BR, and $1,129 per week

MULTIPLIED BY

Base Percentage (BP%)		
Period	BP% Calculation (Max BP% is reached when Revenue Reduction % is ≥ 50%)	BP % can never exceed
P5, P6	1.2 x (Revenue Reduction % of either current or prior Claim Period, whichever higher)	60%
P7	1 x (Revenue Reduction % of either current or prior Claim Period, whichever higher)	50%
P8 to P16	0.8 x (Revenue Reduction % of either current or prior Claim Period, whichever higher)	40%

+

Top-Up Percentage (TUP%)	
TUP% Calculation (Available when Revenue Reduction % or Three Month Reduction% exceeds 50%, maxes out at 70% decline) [Formula cannot be negative]	TUP can never exceed
P5, P6, P7: 1.25 x (Three Month Reduction % - 50%)	25%
P8, P9, P10: 1.25 x (Ω - 50%), where Ω = the greater of i. Three Month Reduction % ii. Revenue reduction % of either current or prior claim period, whichever higher	25%
P11 to P16: 1.75 x (Revenue reduction % of either current or prior claim period, whichever higher - 50%)	35%

P5 & P6

Choose The Method That Results in More CEWS

P1 TO P4

Is Revenue Reduction % in current or prior Claim Period ≥ 30%? (15% for P1)

NO → **NO CEWS**

YES ↓

same calculation as

★ **CEWS ENTITLEMENT PER EMPLOYEE CATEGORY**

I) Arm's length Eligible Employees hired on March 16, 2020 or after	75% of the ER Up to $847 per week
II) Arm's length Eligible Employees who were employees of the employer at any time before Mar 16, 2020	Greater of: a) 75% of the ER b) 75% of BR, but no more than the ER Up to $847 per week
III) Non-arm's length employees (e.g. related individual)	75% of BR, but no more than the ER Up to $847 per week

FURLOUGHED ELIGIBLE EMPLOYEE

P1 TO P4

Revenue Reduction % ≥ 30% in current or prior Claim Period? (15% for P1)

NO → **NO CEWS**

YES ↓

★ **CEWS** **+** **100% OF EMPLOYER'S PORTION CPP & EI**

P5 & SUBSEQUENT

Is Revenue Reduction % in the current or prior Claim Period > 0%, OR is TUP% for the current Claim Period > 0%?

NO →

YES ↓

same calculation as

P5 & P6

★ **CEWS** **+** **100% OF EMPLOYER'S PORTION CPP & EI**

P7 & SUBSEQUENT

100% OF EMPLOYER'S PORTION CPP & EI **+** Is the employee a non-arm's length employee with BR of $0

NO | **YES** ↓

★ **CEWS ENTITLEMENT**

100% ER, up to $:

P7, P8 = $847 per week

P9, P10 = Greater of $500 and 55% of pre-crisis remuneration (max $573)

CEWS are reduced by temporary wage subsidy entitlement and EI Work-Share benefit received during a Claim Period. CEWS are subject to various anti-abuse provisions in s.125.7 of the Income Tax Act. For example, if it can be reasonably concluded that one of the main purposes of any transaction, action or inaction is to increase CEWS entitlement, CEWS will be revoked and penalties will apply.

See page two for Definitions and CEWS Claim Periods.

CEWS ENTITLEMENT FLOWCHART

MOODYS PRIVATE CLIENT™
Explore what's possible.

DEFINITIONS	
Eligible Employee	**An individual employed primarily in Canada throughout the Claim Period, but:** • For P1 to P4: cannot include any individual who was without remuneration by the employer in respect of ≥ 14 consecutive days within the Claim Period. • For P5 & subsequent: above restriction of P1 to P4 no longer applies.
ER (Eligible Remuneration)	Salaries, wages and other remuneration that are paid in respect of a week inside the Claim Period, but excludes retiring allowance (e.g. severance) and stock option benefits.
BR (Baseline Remuneration)	**Average weekly eligible remuneration (excluding ≥ 7 consecutive days of no remuneration) paid during:** • Normal method: Jan 1, 2020 to Mar 15, 2020 • Alternative method for P1 to P3: Mar 1, 2019 to May 31, 2019 • Alternative method for P4: either Mar 1, 2019 to May 31, 2019, or Mar 1, 2019 to Jun 30, 2019 • Alternative method for P5 & subsequent: July 1, 2019 to Dec 31, 2019. • Additional alternative method for P14 to P16: Mar 1, 2019 to Jun 30, 2019 • Alternative method for P5 & subsequent: if parental maternity, caregiver, or longterm sick leave throughout July 1, 2019 to March 15, 2020, then 90 days period prior to leave.
Revenue Reduction %	% decline in Qualifying Revenue when comparing Prior Reference Period vs. Current Reference Period for a specific Claim Period.
Three Month Reduction %	**% decline in average monthly Qualifying Revenue when comparing:** • The last three calendar months before the Prior Reference Period for the specific Claim Period (or just average of Jan & Feb 2020 qualifying revenue if alternative method elected for Prior Reference Period), vs. • The last three calendar months before the Current Reference Period for the specific Claim Period.
Qualifying Revenue	See section 125.7 for various provisions relating to qualifying revenue. Generally, it is gross revenue from ordinary activities of the employer determined under normal accounting practices of the employer. Elections available to choose between cash vs accrual method, and various consolidation methods. For business asset purchases, parties may elect to allow buyer to assume seller's qualifying revenue in some circumstances

Note: all elections may be amended or revoked prior to the filing due date of the first affected claim period.

CEWS Claim Periods (P#) – Must be filed by the later of Jan 31, 2021 and 180 days after a claim period		Current Reference Period	Prior Reference Period
P1	Mar 15, 2020 to Apr 11, 2020	Mar 2020	Mar 2019 *
P2	Apr 12, 2020 to May 9, 2020	Apr 2020	Apr 2019 *
P3	May 10, 2020 to Jun 6, 2020	May 2020	May 2019 *
P4	Jun 7, 2020 to Jul 4, 2020	Jun 2020	Jun 2019 *
P5	Jul 5, 2020 to Aug 1, 2020	Jul 2020	Jul 2019 **
P6	Aug 2, 2020 to Aug 29, 2020	Aug 2020	Aug 2019 **
P7	Aug 30, 2020 to Sep 26, 2020	Sep 2020	Sep 2019 **
P8	Sep 27, 2020 to Oct 24, 2020	Oct 2020	Oct 2019 **
P9	Oct 25, 2020 to Nov 21, 2020	Nov 2020	Nov 2019 **
P10	Nov 22, 2020 to Dec 19, 2020	Dec 2020	Dec 2019 **
P11	Dec 20, 2020 to Jan 16, 2021	Dec 2020	Dec 2019 **
P12	Jan 17, 2020 to Feb 13, 2021	Jan 2021	Jan 2020 **
P13	Feb 14, 2021 to Mar 13, 2021	Feb 2021	Feb 2020 **
P14	Mar 14, 2021 to Apr 10, 2021	Mar 2021	Mar 2019 **
P15	April 11, 2021 to May 8, 2021	Apr 2021	Apr 2019 **
P16	May 9, 2021 to Jun 5, 2021	May 2021	May 2019 **

* Or average of Jan & Feb 2020, if not carrying on business or ordinary activities on Mar 1, 2019, or if employer makes an election to use this alternative method consistently for P1 to P4

** Or average of Jan & Feb 2020, if employer makes an election to use this alternative method consistently for P5 & subsequent