

## Human Resources Legislative Update

### An Update on CEWS: Federal Consultation, Expansion of Eligible Entities, and More

**Date:** May 27, 2020

On May 15, 2020 the federal government released a [backgrounder](#) (CEWS Backgrounder) regarding the extension of the Canada Emergency Wage Subsidy (CEWS) beyond June 6, 2020 to August 29, 2020 and indicated that the details of the extension would follow.

On May 25, 2020, the federal government posted the [Canada Emergency Wage Subsidy \(CEWS\) Consultation](#) regarding the extension of the CEWS. The Consultation process will be open until June 5, 2020 and the government has indicated that the Consultation will help inform changes to the CEWS in order to maximize employment and meet the needs of both employers and employees. Interested parties can submit feedback by survey or by sending an email.

In addition, the CEWS Backgrounder had announced that the list of eligible entities who can qualify to use the CEWS would be expanded. On May 27, 2020, [Regulations Amending the Income Tax Regulations \(COVID-19 – Eligible Entities\)](#) were published and clarify the list of employers eligible for the CEWS. The Regulations confirm that certain Indigenous government-owned organizations, registered Canadian amateur athletic associations, partnerships, registered journalism organizations, and private schools and private colleges (including those providing specialized services) are eligible entities that can qualify for the CEWS.

Additional proposals announced in the CEWS Backgrounder have not yet been enacted, including the proposal that would allow eligible employers to choose one of two periods when determining baseline remuneration or “pre-crisis” wages. Specifically, the proposal would allow employers to calculate baseline remuneration using the average weekly eligible remuneration paid to an eligible employee from January 1, 2020 to March 15, 2020 or March 1, 2019 to May 31, 2019, excluding any period of seven or more consecutive days without remuneration during the period chosen. This proposal is expected to be effective retroactively to March 15, 2020 and has been made to more accurately account for the pre-crisis remuneration of eligible employees who are employed seasonally or have recently returned from an extended leave (for example, a parental leave). Further legislative changes are also expected to address situations where corporations have recently amalgamated and to clarify the eligibility rules for tax-exempt trusts.

We are continuing to monitor updates regarding the CEWS. Should you have any questions, please contact any member of our [Pension, Benefits and Executive Compensation practice group](#).