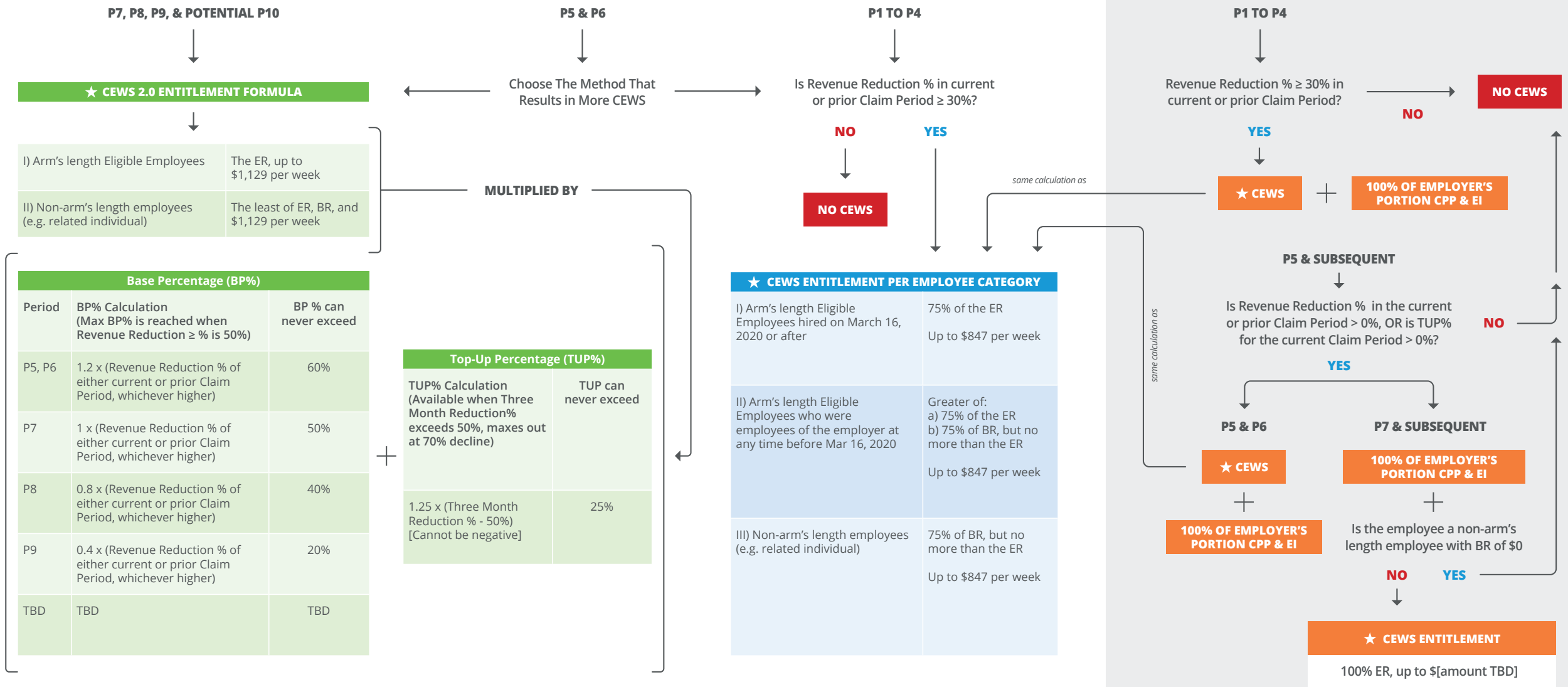


CEWS ENTITLEMENT FLOWCHART

v. Draft Legislation Released July 17, 2020 (Bill C-20)

START THIS SIDE FOR **WORKING** ELIGIBLE EMPLOYEE

START THIS SIDE FOR **FURLOUGHED** ELIGIBLE EMPLOYEE



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.

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DEFINITIONS	
Eligible Employee	An individual employed in Canada in the Claim Period, but: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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.
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: <ul style="list-style-type: none"> 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.

CEWS Claim Periods (P#) – Claims for all periods must be filed by January 31, 2021	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 **
Potential P10	TBD, but ending no later than Dec 31, 2020	TBD	TBD
* 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			