

To measure their revenue loss, it is proposed that employers compare their revenue of **March, April and May 2020** to that of the same month of 2019 or, in order to provide added flexibility, to an **average of their revenue earned in January and February 2020**.

For March, the government proposes to make the CEWS more accessible than originally announced by reducing this 30% benchmark to 15%, in recognition of the fact that many businesses did not begin to be affected by the crisis until partway through the month.

To provide certainty for employers, the **government is also proposing that once an employer is found eligible for a specific period, they would automatically qualify for the next period of the program.** For example, an employer with a revenue drop of more than 15% in March would qualify for the first and second periods of the program, covering remuneration paid between March 15 and May 9. Similarly, an employer with a revenue drop of 30% in April would qualify for the second and third periods of the program, covering remuneration paid between May 10 to June 6.

To recognize the challenges in measuring revenues of non-profit organizations and registered charities, **it is proposed that they be allowed to choose whether or not to include government assistance in revenues for the purpose of applying the revenue decline test.** Once chosen, the same approach would have to be maintained by the organization throughout the program period.

It is also proposed that employers be allowed to measure revenues either on the **basis of accrual accounting (as they are earned) or cash accounting (as they are received)**. Once chosen, the same accounting method would have to be used by the employer throughout the program period.

It is also proposed that the CEWS provide an additional amount to compensate employers for their contributions to the Canada Pension Plan, Employment Insurance, Quebec Pension Plan and Quebec Parental Insurance Plan paid **in respect of eligible employees who are on leave with pay due to COVID-19.**

In order to maintain the integrity of the program and to ensure that it helps Canadians keep their jobs, the employer would be required to repay amounts paid under the CEWS if they do not meet the eligibility requirements. **The government is also proposing a penalty of 25% of the CEWS received by an employer if the employer has engaged in transactions that artificially reduce the employer's revenue in order to qualify for the subsidy.** As well, under existing provisions of the *Income Tax Act*, persons making, or participating in making, a false or deceptive statement could be prosecuted with a summary or indictable offence. Anyone found guilty could be sentenced to prison for up to 5 years.