

TOP STORIES

Trump adds 30 days to distancing guidelines as coronavirus spreads

MARCH 29 **UPDATED**



Trudeau says businesses, non-profits, charities all eligible for wage subsidy

ROBERT FIFE > OTTAWA BUREAU CHIEF

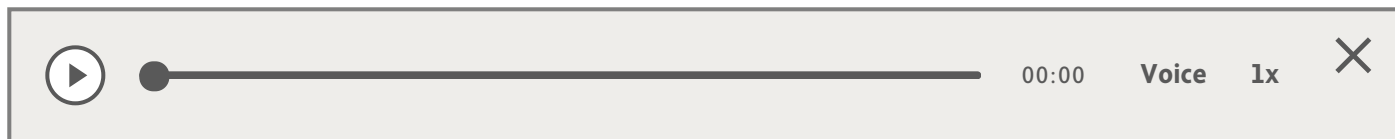
BILL CURRY >

OTTAWA

PUBLISHED MARCH 30, 2020

UPDATED 2 MINUTES AGO

 23 COMMENTS  SHARE



Prime Minister Justin Trudeau said Monday the 75-per-cent wage subsidy announced late last week will be available to large and small companies as well as charities and non-profit organizations to keep employees on the payroll and weather the COVID-19 pandemic.

The government announced Friday that it was boosting the wage subsidies to business from 10 per cent to 75 per cent with details of the Canada Emergency Wage Subsidy to come on Monday.

“If your businesses revenues have decreased by at least 30 per cent because of COVID-19, you will be eligible for this subsidy. The number of employees you have will not determine whether you get this support,” Mr. Trudeau told his daily news conference. “It will apply to non-profit organizations and charities as well as companies both big and small.”

Mr. Trudeau said the aim of the massive wage subsidy program – which he did not put a price tag on – is about making sure people are getting paid whether they work for a business that employs 10 people or one thousand employees.

“If you work for a company that has been impacted by COVID-19, the government will cover up to 75 per cent of your salary on the first \$58,700 that you earn. That means up to \$847 a week,” Mr. Trudeau said.

The wage subsidy will be backdated until March 15. The Finance department is preparing technical information for employers, Mr. Trudeau said.

Government officials have been in talks throughout the weekend with business leaders to craft the terms of the new program.

Dan Kelly, President of the Canadian Federation of Independent Business, said that while further details are urgently needed, the parameters announced Monday by Mr. Trudeau “will be a significant relief for tens of thousands of employers and hundreds of thousands of employees.”

In an e-mailed statement, he praised the decision to extend the subsidy to employers of all sizes and structures.

“The wage subsidy is the single best measure to help Canada prepare for a quick recovery the minute the emergency phase of the pandemic is over,” he said.

Benjamin Bergen, executive director of the Council of Canadian Innovators, also said the additional details announced are a “positive step” to help keep workers employed and businesses afloat during the pandemic.

Mr. Trudeau said further details, including the estimated fiscal cost of the new program, will be announced by Finance Minister Bill Morneau and Small Business Minister Mary Ng at a news conference Tuesday.

Mr. Trudeau cautioned though that the government trusts business owners to “do the right thing” and to pay the remaining 25 per cent wage to employees if they can afford to do so.

“If you think this is a system that you can take advantage of or game, don’t,” he said. “There will be serious consequences for those that do.”

Mr. Trudeau did not say what would be the “severe consequences” for any employer who tries to take advantage of the new wage subsidy program.

One group that lobbied for the wage subsidy says that it only solves part of the problem facing entrepreneurs. Save Small Business brought together more than 20,000 Canadian entrepreneurs to ask for wage relief this month, but many still have other fixed costs and little to no revenue.

Many are facing rent bills due April 1 that will be impossible to pay. While Ottawa has announced a government-backed loan program, Save Small Business worries this will become a burden for entrepreneurs. “There needs to be some kind of strategy for commercial rents, commercial property tax and commercial utilities,” said Jon Shell, one of the group’s organizers.

The Prime Minister said he is aware that the oil and gas sector, airline industry and tourism have been hit hard and they will need additional help beyond the wage subsidy and loan credits measures already announced.

- *With a file from Josh O’Kane*

© Copyright 2020 The Globe and Mail Inc. All rights reserved.

351 King Street East, Suite 1600, Toronto, ON Canada, M5A 0N1

Phillip Crawley, Publisher