A Note for all Parish Treasurers and Wardens regarding the Canada Emergency Wage Subsidy

First, I want to thank all of those parishes that are working so diligently to promote the mission of the church during these unprecedented and uncertain times. Additionally, a big thank you to all of you who have been providing me with your monthly revenue numbers so that I can complete our applications for the subsidy.

While the federal government is continuing the Canada Emergency Wage Subsidy (CEWS) through the end of December 2020, the calculation and **the amount of subsidy changed significantly** beginning in July. The actual formulas were not made available until early this week.

During the first four periods of the CEWS (March 15 – July 4) any business or charitable organization that saw a reduction in revenue greater than 30% was eligible for a wage subsidy of 75% of employee earnings (subject to certain limits). Beginning on July 6, the maximum amount of subsidy available is 1.2 times the percentage decline in revenue. For example, if August 2020 revenue is 35% lower than August 2019 revenue, the wage subsidy available is 42% (35% x 1.2); if the year over year revenue reduction is 30%, the wage subsidy is 36% (30% x 1.2).

Complicating things a bit is that we cannot calculate the amount of the subsidy for a month until we have all of the revenue amounts in from all the parishes. As I write this on August 21, I am still waiting for some parishes to provide me with their July amounts. In early August, we had a number of requests from parishes for their July bills. The Diocese billed parishes for the net amount of payroll assuming a 75% subsidy rate. It does appear that the Diocese will be eligible for the 75% rate for July due to the “safe harbour” rule embedded in the CEWS regulations. Going forward that will not be the case and the amount of subsidy available will be unknown until the application is filed.

**Beginning with the month of August**, Parishes will be billed the gross amount of their payroll. Therefore, the advice you will see in early September will have the full amount of August’s payroll. The Diocese will complete the application for CEWS for August in the month of September and apply the subsidy as a credit to the parish’s advice for September that you will see in October. In other words, the subsidy will lag by one month. With the program ending in December, your last subsidy credit will show up in January 2021.

For example:

|  |  |  |  |
| --- | --- | --- | --- |
| Month | Gross Pay | Prior month’s Subsidy | Net Payroll due |
| August | $1,000.00 |  | $1,000.00 |
| September | $1,000.00 | $ 4,200.00 (assuming a 35% revenue decline in August) | $5,800.00 |
| October | $1,000.00 | $ 3,600.00 (assuming a 30% revenue decline in September) | $6,400.00 |

Once again, thank you to all who have been providing your monthly revenue numbers. We will need to continue to collect this data until December 2020 and I will have an additional form out to you in September.

Stay safe, be kind, and wear a mask.