

Canada Recovery Hiring Program (“CRHP”)

July 14, 2021

The CRHP and the Canada Emergency Wage Subsidy (“CEWS”) support wages your company pays through different phases of Canada’s economic recovery. The CRHP will help eligible employers hire the workers they need to support their business and aid in the economy’s recovery. The program will be available through the Canada Revenue Agency (“CRA”), similar to the CEWS and the Canada Eligible Rent Subsidy (“CERS”).

An eligible employer may claim **either** CRHP or CEWS, whichever is more beneficial.

Subsidy amount?

If an eligible employer meets the revenue-decline threshold for a qualifying period, its subsidy amount would be equal to its eligible incremental remuneration multiplied by the CRHP subsidy rate for the qualifying period.

Qualifying period	Subsidy Rate
Period 17 [June 6 – July 3]	50%
Period 18 [July 4 – July 31]	50%
Period 19 [August 1 – August 28]	50%
Period 20 [August 29 – September 25]	40%
Period 21 [September 26 – October 23]	30%
Period 22 [October 24 – November 20]	20%

How is the incremental remuneration calculated?

Incremental remuneration for a qualifying period is the difference between total eligible remuneration paid to eligible employees during the qualifying period and total eligible remuneration paid to them during the baseline period. For calculation of total eligible remuneration paid for both the qualifying period and the baseline period, eligible remuneration for each eligible employee would be subject to a maximum of \$1,129 per week.

Baseline period to compare to the qualifying period is **March 14 – April 10, 2021**.

What are the similarities and differences between the two (CRHP and CEWS) programs?

There are number of similarities and conditions that are consistent between the CRHP and CEWS programs. The following is an overview of each program:

	CRHP	CEWS
Revenue drop required	Period 17: more than 0% Periods 18 – 22: more than 10%	Period 17: more than 0% Period 18 – 20: more than 10% CEWS program ends on Period 20
Subsidy rate	Flat rate – 50% and eventually decreasing to 20% depending on the period in question.	Subsidy rate changes according to your percentage drop in revenue. See our previous publication on the rates.
Top-up amount	Not applicable.	Available, if 3-month average revenue drop is 50% or over.
Eligible employers	For-profit corporations that are Canadian-controlled private corporations (“CCPC”), individuals, non-profit, registered charities and certain partnerships. Partnership, if at least half of the interest in the partnership is held by CCPCs. Note that publicly traded corporations and their subsidiaries, and non-CCPCs are not eligible.	All for-profit corporations. New conditions exist for publicly traded corporations and their subsidiaries.

Employee pay factor	Based on the increase in the amount you paid to active eligible employees for the claim period compared to how you paid active eligible employees from March 14 – April 10, 2021	Based on the amount paid to eligible employees for the claim period
May include amounts for employees on leave with pay (furloughed)	No	Period 17 to 19: Yes Period 20: no
Includes refund of employer paid portions of CPP and EI for employees on leave with pay	No	Yes
Subtracts amounts received through ESDC's work-sharing program	No	Yes
Non-arm's length employee conditions	Should not exceed the baseline remuneration determined for that week.	Should not exceed the baseline remuneration determined for that week.
For period 17 and later, certain corporations may be subject to possible repayments based on executive compensation	No	Yes, if the eligible employer is a publicly-listed corporation or controlled by a publicly-listed corporation.
Taxable to employer	Yes	Yes

How to apply?	CRA My Business Account, representative account or web access code.	CRA My Business Account, representative account or web access code.
Application opening date	First day available to apply for Period 17: July 7, 2021 Claim Period 17 is the first claim period.	First day available to apply for Period 17: July 7, 2021. Last day to apply for claim Period 11 is July 15, 2021.

What are the revenue decline reference periods for CRHP?

Timing	Period 17 June 6 – July 3, 2021	Period 18 July 4 – July 31, 2021	Period 19 Aug 1 – Aug 28, 2021
General approach	June 2021 over June 2019 OR May 2021 over May 2019	July 2021 over July 2019 OR June 2021 over June 2019	August 2021 Over August 2019 OR July 2021 Over July 2019
Alternative approach	June 2021 or May 2021 over Average of Jan/Feb 2020	July 2021 or June 2021 over Average of Jan/Feb 2020	August 2021 or July 2021 Over Average of Jan/Feb 2020
Timing	Period 20 August 29 – Sep 25, 2021	Period 21 Sep 26 – Oct 23, 2021	Period 22 Oct 24 – Nov 20, 2021
General approach	September 2021 over September 2019 OR August 2021 over August 2019	October 2021 over October 2019 OR September 2021 over September 2019	November 2021 Over November 2019 OR October 2021 Over October 2019
Alternative approach	September 2021 or August 2021 over Average of Jan/Feb 2020	October 2021 or September 2021 over Average of Jan/Feb 2020	November 2021 or October 2021 Over Average of Jan/Feb 2020



There are additional complexities in respect of this program similar to the CEWS program not summarized on this announcement. There are documentation requirements relating to potential filing of various elections in order to be eligible for the CRHP.

As your trusted advisors, we can aid your organization via the review of your eligibility and assist you with filing the CEWS or CRHP claims. Please feel free to contact your McGovern Hurley advisor for further details.