



CANADIAN VETERINARY  
MEDICAL ASSOCIATION

L'ASSOCIATION CANADIENNE  
DES MÉDECINS VÉTÉRINAIRES

## COVID-19 Finance and Economics Q&As

1. Question: **If you enter into a Work-Share Agreement, but qualify for the 75 per cent Wage Subsidy during the one-time period, can you claim the 75 per cent Wage Subsidy for that period, and continue with the Work Share for the following time periods?**

**Answer:** For employers and employees that are participating in a Work-Sharing program, EI benefits received by employees through the Work-Sharing program will reduce the benefit their employer is entitled to receive under the CEWS. We do not know yet by how much the CEWS will be reduced.

2. Question: **They are calculating last year's revenue for March, which is when I took holidays, reducing our income a lot for that month last year. Can we calculate what we might have made if I had been there last march to bring up the monthly take to what is normal? Because of holiday loss of income last year, we do not qualify and thus may have to lay off staff!**

**Answer:** Based on Trudeau's announcement today (April 8, 2020), companies may have the option of using January and February of 2020 as a reference point to show the revenue decrease.

3. Question: **What about businesses that are new and don't have financials for the similar period in 2019?**

**Answer:** See answer above (can use January/February 2020).

4. Question: **Is work sharing retroactive? Or only going forward from the date of the agreement (10 days) application wait time?**

**Answer:** Work sharing is NOT retroactive, but the program will start 10 days after the application is received by Service Canada.

5. Question: **Trudeau announced today for March 2020 the decline in revenue needs to be 15 per cent compared to March 2019, 30 per cent for future months.**

**Answer:** That is correct ... waiting for legislative approval.

6. Question: **Our practice is growing, so along with a rise in income we now have higher expenses. Can we weight our losses by including rise in expenses compared to last year?**

**Answer:** No, the test is based on revenue.

[canadianveterinarians.net](http://canadianveterinarians.net)  
[veterinairesauCanada.net](http://veterinairesauCanada.net)

339, rue Booth Street  
Ottawa (Ontario) K1R 7K1

t • (800) 567-2862

f • (613) 236-9681

admin@cvma-acmv.org

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7. Question: **Can we use expenses in the calculation? Ours are way higher this year.**

**Answer:** No, the test to qualify is solely based on revenue. Revenue decrease cannot be controlled by the business owner, however variable costs can be as well as certain fixed costs (such as rent).

8. Question: **Does the reporting Emergency Wage Subsidy have to be applied by BEFORE April 11? I'm not ready!**

**Answer:** If you're referring to the 75 per cent wage subsidy due to decrease in revenue, this cannot be applied for yet and the government has not said when applications will start. They are still waiting for Parliament to reconvene and pass the bill into legislation ... there may still be changes as these are proposals from the Liberal government at this time. We do not suspect any large issues coming from the opposition party or the NDP.

9. Question: **Where do locum veterinarians fit in with these subsidies?**

**Answer:** Locum veterinarians are eligible for the CERB benefit if they have stopped working due to COVID. They must not be working and have zero income to be eligible.

10. Question: **Does it matter whether the person is an employee versus contracted. For example, one of my associates is an employee and the other is self employed. Do both qualify for the 75 per cent provided the business qualifies?**

**Answer:** It is based on payroll, so employees only. Contract employees are considered self employed and you do not pay them wages. **Employee wages qualify for the 75 per cent CEWS; however self-employed locum under contract are not considered self employed. Locums need to apply for CERB personally of their revenue decreases.**

11. Question: **When will we know when to apply for the CEWS?**

**Answer:** Once the legislation is passed into law by Parliament.

12. Question: **With the \$40,000 loan, if the loan is paid off before the deadline of December 2021, is the forgiven \$10,000 taxed against the business?**

**Answer:** Yes, this will be taxable income, and December 2022 is when the loan is due.