



# TaxNewsFlash Canada

## Canada Offers Wage Subsidy for Health Research Groups

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Certain universities and health research institutes that may not qualify for the 75% Canada Emergency Wage Subsidy may still apply for financial assistance during COVID-19. The government announced that it will also provide wage support to these organizations so they can retain research staff funded from industry and philanthropic sources. The government has not yet announced the starting date or term for this new relief.

This new support was announced as part of \$450 million in funding to help Canada's academic research community during the COVID-19 pandemic. The government also said it would help universities and health research institutes maintain essential research-related activities by covering up to 75% of certain eligible costs, among other support measures.

### **Background**

In response to COVID-19, Canada made a series of announcements that it would enact targeted fiscal and tax relief intended to support individuals and businesses. Among other measures, Canada proposed changes to accelerate Employment Insurance (EI) sickness benefits, make additional credit available to businesses, and introduce a Canadian Emergency Response Benefit to help individuals. The government also announced the Canada Emergency Wage Subsidy, a temporary 12-week subsidy that will generally provide an amount to employers equal to 75% of employees' remuneration paid, up to a maximum of \$847 per week per employee. Eligible employers must show a decline in revenue during the COVID-19 period to qualify for the subsidy. For details, see *TaxNewsFlash-Canada* 2020-39, "[Employers — Canada's 75% Wage Subsidy Now Enacted](#)" and *TaxNewsFlash-Canada* 2020-41, "[Employers — Prepare to Apply for 75% Wage Subsidy](#)".

The government recently extended the 75% Canada Emergency Wage Subsidy to August 29, 2020 and announced changes to eligibility. See *TaxNewsFlash-Canada* 2020-47, "[Canada Extends 75% Wage Subsidy and Refines Eligibility](#)"

### Wage support for universities and health research institutes

The government announced it will provide a 75% wage subsidy to support employees of universities and health research institutes that are not eligible for the 75% Canada Emergency Wage Subsidy. This new subsidy will provide up to 75% of wage support per individual, to a maximum of \$847 per week, and will be available even where employees' work has been temporarily suspended.

#### Stay connected on the latest COVID-19 developments

We continue to watch tax and legal issues related to the evolving COVID-19 situation and will provide further information as it becomes available. For the latest developments, see our dedicated COVID-19 site, [The Business Implications of Coronavirus](#).

### An action plan for your business — We can help

As your trusted advisors, we're here to help. Because every business is unique, our experienced professionals may be able to assist you with establishing that the methodology you use to determine eligibility for wage subsidies are consistent with similar organizations in your sector and across Canada.

These subsidies may play a critical role in your imminent staffing decisions, so do not hesitate to reach out to us to discuss an action plan for your organization. Together, we can help your organization navigate these unprecedented times.

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