



**CANADIAN FEDERATION
OF INDEPENDENT BUSINESS**
In business for your business™



2020 Tax Filing Changes with CRA



All information contained within this
presentation and webinar is current as of
February 4th, 2021

Moderators

From CFIB



Laura Jones (Moderator)

Executive Vice-President and Chief Strategic Officer



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CFIB Senior Vice-President, National Affairs and Partnerships

CRA Subject Matter Experts joining us today

- ✓ Costa Dimitrakopoulous - Director General, Income Tax Rulings Directorate, LPRAB
- ✓ Lora Furlong-Lachapelle - Director, Horizontal Integration Directorate, ABSB
- ✓ Kelly Williams - Director, Stakeholder Relations Division, Individual Returns Directorate, ABSB,
- ✓ Rachel Shanks - Manager, Individual Returns Directorate, ABSB
- ✓ Denis Chartrand - Manager, GST/HST Returns Processing Section, ABSB
- ✓ Ian Patrick - Manager, GST/HST Rebates Processing Section, ABSB
- ✓ Brent Renaud - Senior Programs Officer, T2 Development and Legislation, ABSB
- ✓ Audrey Cormier - Senior Programs Officer, Horizontal Integration Directorate, ABSB
- ✓ Chantal Langlois - Programs Officer, CVB
- ✓ Craig Mutter - Programs Officer, CVB
- ✓ Jennifer Martin - Liaison Officer, CPB

Key Topics covered today

1. Income Tax Filing Deadlines
2. COVID-19 measures announced in 2020
 - *Home office expenses – T2200 & T2200S*
 - *Your questions to CRA on Home office expenses*
 - Employer information returns responsibilities - T4 slip & T4A changes
 - CEWS, CERS, CECRA & CEBA - T1 & T2 changes
3. Capital Cost Allowance
4. Your questions to CRA

Important Tip: Keep a business log/journal that includes key information that may be useful when this is over (business decisions open/close; bills paid/deferred; key conversations with staff/suppliers/government; your own reflections on the business)

Income Tax Filing Dates and Deadlines (2020)

| | Filing Date | Payment Date |
|---|---|---|
| Individuals | April 30, 2021 | April 30, 2021 |
| Corporations | Six (6) months after the end of the corporation's tax year | Monthly or quarterly instalments. The balance of tax is required to be paid two (2) to three (3) months after the end of the tax year depending on your balance-due day. |
| Self-employed | June 15, 2021 | April 30, 2021 |
| Goods and Services/ Harmonized Sales Tax (GST/HST) Returns | <p>Thirty (30) days after the end of the reporting period for monthly/quarterly filers;</p> <p>Three (3) months after the end of the reporting period for annual filers;</p> <p>June 15 for self-employed individuals with annual filing and a calendar fiscal year</p> | <p>For monthly/quarterly filers, GST/HST payments are due at the same time as your GST/HST return;</p> <p>For annual filers, payments are due three (3) months after the end of your fiscal year</p> <p>Instalment payments* may also be required and are due one (1) month after the end of each of your fiscal quarters</p> <p>* Instalment payments are required for all annual filers with a total net tax of more than \$3,000</p> |



Home Office Expenses for Employees (Form T2200/T2200S)

- You can use the new temporary flat rate method to claim the home office expenses you paid if:
 - You worked more than 50% of the time from home for a period of at least four (4) consecutive weeks in 2020 due to the COVID-19 pandemic
 - You are only claiming home office expenses and are not claiming other employment expenses
 - Your employer did not reimburse you for all of your home office expenses
- Using this new method, you can claim \$2 for each day you worked from home in 2020 due to the COVID-19 pandemic, up to \$400
- This method can only be used for the 2020 tax year
- You do **not** have to calculate the size of your work space or keep supporting documents
- Your employer does **not** have to complete or sign Form T2200S or Form T2200

What counts as a “work day” for the temporary flat rate method?

- Days that **can** be counted include:
 - Days you worked full-time hours from home
 - Days you worked part-time hours from home
- Days that **cannot** be counted include:
 - Days off (e.g., weekends and statutory holidays that you did not work)
 - Vacation days
 - Sick leave days
 - Other leave or absences

What if I have a larger claim?

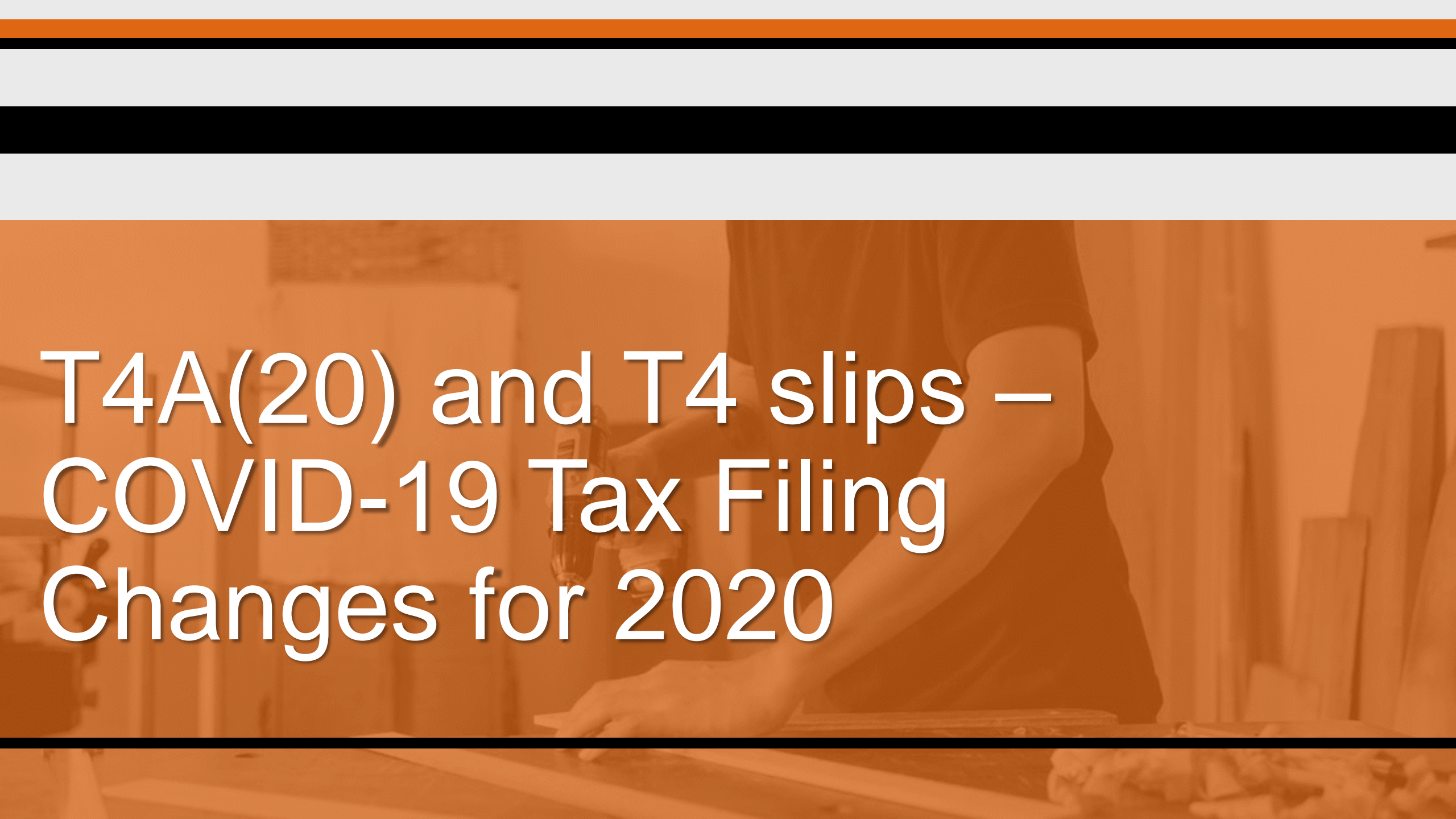
- You can use the **detailed method** to calculate your deduction for home office expenses if:
 - You worked more than 50% of the time from home for a period of at least four (**4**) consecutive weeks in 2020 due to the COVID-19 pandemic
 - You were required to pay for expenses related to the work space in your home
 - Your expenses are used directly in your work
 - You have a completed and signed Form T2200S or Form T2200 from your employer
- You **cannot** claim any expenses that were or will be reimbursed by your employer, and you must keep supporting documentation
- To simplify the process for using the detailed method, the CRA has introduced simplified Form T2200S and Form T777S, and an online calculator to help calculate your eligible home office expenses

Part B – Conditions of employment

1. Did this employee work from home due to COVID-19? ☐ Yes ☐ No
2. Did you or will you reimburse this employee for any of their home office expenses? ☐ Yes ☐ No
3. Was the amount included on this employee's T4 slip? ☐ Yes ☐ No

*T2200S - Declaration of Conditions of Employment
for Working at Home Due to COVID-19 (Front)*




The background image shows a person in a workshop, wearing a dark shirt and using a power tool on a piece of wood. The scene is dimly lit, with the primary light source coming from the left, creating a warm, orange-toned atmosphere. An orange semi-transparent banner is positioned across the middle of the image, containing white text. Above the banner, there are horizontal stripes in orange, white, and black.

T4A(20) and T4 slips – COVID-19 Tax Filing Changes for 2020

New codes (197 – 204) added to T4A

- Seven (**7**) new codes have been added to the T4A for the 2020 tax year.
- They represent the Canada Emergency Response Benefit (CERB), Canada Emergency Student Benefit (CESB), Canada Recovery Benefit (CRB), Canada Recovery Sickness Benefit (CRSB), Canada Recovery Caregiving Benefit (CRCB) and the Provincial/Territorial COVID Financial Assistance.
- For the 2020 tax year, certain amounts that a provincial or territorial government paid as financial assistance to support individuals affected by COVID-19 must be reported on a T4A slip.
 - Enter amounts that were paid as financial assistance by a provincial or territorial government to support individuals affected by COVID-19 and that are taxable under subparagraphs 56(1)(r)(i) or (iv) of the Income Tax Act.
- For the 2021 and later tax years, the Canada Revenue Agency (CRA) will introduce a repayment code on the T4A slip to report COVID-19 financial assistance payments that were repaid in a different tax year than when they were received.

| | | | | |
|--|--|---|---|--|
| Payer's name – Nom du payeur | |  Canada Revenue Agency / Agence du revenu du Canada | Year / Année <div style="border: 1px solid black; width: 60px; height: 25px; margin: 0 auto;"></div> | <h2 style="margin: 0;">T4A</h2> <p style="margin: 0;">Statement of Pension, Retirement, Annuity, and Other Income État du revenu de pension, de retraite, de rente ou d'autres sources</p> |
| 061 Payer's program account number / Numéro de compte de programme du payeur | | Pension or superannuation – line 11500 Prestations de retraite ou autres pensions – ligne 11500 | | |
| Social insurance number Numéro d'assurance sociale | | Income tax deducted – line 43700 Impôt sur le revenu retenu – ligne 43700 | | |
| 012 | | 016 | | |
| Recipient's program account number Numéro de compte de programme du bénéficiaire | | 022 | | |
| 013 | | Lump-sum payments – line 13000 Paiements forfaitaires – ligne 13000 | | |
| 018 | | Self-employed commissions Commissions d'un travail indépendant | | |
| 020 | | Fees for services Honoraires ou autres sommes pour services rendus | | |
| 024 | | 048 | | |
| Recipient's name and address – Nom et adresse du bénéficiaire Last name (print) – Nom de famille (en lettres moulées) First name – Prénom Initials – Initiales <div style="border: 1px solid black; height: 30px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; height: 30px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; height: 30px; margin-bottom: 5px;"></div> | | Other information (see page 2) Autres renseignements (voir à la page 2) | | |
| Box – Case Amount – Montant Box – Case Amount – Montant | | Box – Case Amount – Montant Box – Case Amount – Montant | | |
| Box – Case Amount – Montant Box – Case Amount – Montant | | Box – Case Amount – Montant Box – Case Amount – Montant | | |
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| Box – Case Amount – Montant Box – Case Amount – Montant | | Box – Case Amount – Montant Box – Case Amount – Montant | | |

T4A (20) Protected B when completed / Protégé B une fois rempli

Report these amounts on your tax return.

Box 016, Pension or superannuation – Enter this amount on line 11500. It may qualify for the pension income amount. See line 31400 in the Retirement income – Summary table of your tax guide. The amount in the following box is included in box 016:

- Box 128, Veterans' benefits eligible for pension splitting – See Form T1032, Joint Election to Split Pension Income

Box 018, Lump-sum payments – Enter this amount on line 13000.

The amounts in the following boxes are included in box 018:

- Box 102, Lump-sum payments – non-resident services transferred under paragraph 60(j)
- Box 108, Lump-sum payments from a registered pension plan (RPP) that you cannot transfer
- Box 110, Lump-sum payments accrued to December 31, 1971
- Box 158, Lump-sum payments that you cannot transfer that are not reported elsewhere
- Box 180, Lump-sum payments from a deferred profit-sharing plan (DPSP) that you cannot transfer
- Box 190, Lump-sum payments from an unregistered plan

Box 020, Self-employed commissions – Enter your gross commissions income on line 13899 and your net commissions income on line 13900.

Box 022, Income tax deducted – Enter this amount on line 43700.

Box 024, Annuities – See line 11500 in your tax guide.

The amounts in the following boxes are included in box 024:

- Box 111, Income averaging annuity contracts (IAAC)
- Box 115, Deferred profit-sharing plan (DPSP) annuity or instalment payments

Box 028, Other income – Amounts not reported anywhere else on the T4A slip. See line 13000 and lines 13499 to 14300 in your tax guide.

Box 030, Patronage allocations – Enter this amount on line 13000. Do not report the amount if it was for goods or services you consumed and for which you cannot deduct the cost when you calculate your income. This amount does not qualify for the federal dividend tax credit.

Box 032, Registered pension plan contributions (past service) – Enter the amount you can deduct on line 20700 (see Guide T4040, RRSPs and Other Registered Plans for Retirement).

- Box 126, Pre-1990 past service contributions while a contributor (included in box 032)
- Box 162, Pre-1990 past service contributions while not a contributor (included in box 032)

Box 034, Pension adjustment – Enter this amount on line 20600. This amount is not an income or a deduction.
Box 040, RESP accumulated income payments – Enter this amount on line 13000 and fill out the Form T1172, Additional Tax on Accumulated Income Payments from RESPs.

- Box 122, RESP accumulated income payments paid to other (included in box 040)

Box 042, RESP educational assistance payments – Enter this amount on line 13000. For details, see Information Sheet RC4092, Registered Education Savings Plans.

Box 046, Charitable donations – See Pamphlet P113, Gifts and Income Tax.

Box 048, Fees for services – Report this amount as business or professional income.

Box 129, Tax deferred cooperative share. This amount may be deferred. For more information, see Line 960 – Patronage dividends in Guide T4002, Self-employed Business, Professional, Commission, Farming, and Fishing Income.

Box 133, Variable pension benefits – See line 11500 in your tax guide.

Box 135, Recipient-paid premiums for private health services plans – See line 33099 in your tax guide.

Box 196 – Tuition assistance for adult basic education

Enter at line 25600 the amount of tuition assistance that is more than the scholarship exemption you can claim for this tuition assistance.

Enter on line 10400:

- Box 104, Research grants – See line 10400 in your tax guide.
- Box 107, Payments from a wage-loss replacement plan – See line 10400 in your tax guide.
- Box 118, Medical premium benefits
- Box 119, Premiums paid to a group term life insurance plan
- Box 127, Veterans' benefits
- Box 132, Wage Earner Protection Program
- Box 152, SUBP qualified under the Income Tax Act
- Box 156, Bankruptcy settlement

Enter on line 11500:

- Box 194, PRPP payments – See line 11500 in your tax guide.

Enter on line 12500:

- Box 131, Registered disability savings plan

Enter on line 13000:

- Box 106, Death benefits – See line 13000 in your tax guide.
- Box 109, Periodic payments from an unregistered plan
- Box 117, Loan benefits
- Box 123, Payments from a revoked DPSP
- Box 125, Disability benefits paid out of a superannuation or pension plan

- **Box 197, Canada Emergency Response Benefit (CERB)**
- **Box 198, Canada Emergency Student Benefit (CESB)**
- **Box 199, Canada Emergency Student Benefit (CESB) for eligible students with disabilities or those with children or other dependents**
- **Box 200, Provincial/Territorial COVID-19 financial assistance payments**
- **Box 202, Canada Recovery Benefit (CRB)**
- **Box 203, Canada Recovery Sickness Benefit (CRSB)**
- **Box 204, Canada Recovery Caregiving Benefit (CRCB)**

Enter on line 13499/14300:

- Box 105, when self-employed. Scholarships, bursaries, fellowships, artists' project grants, and prizes – See line 13499 or line 14300 in your tax guide.

See the privacy notice on your return

Do not report on your tax return – Canada Revenue Agency use only

- Box 014, Recipient number
- Box 036, Plan registration number
- Box 037, Advanced life deferred annuity purchase
- Box 116, Medical travel assistance
- Box 124, Board and lodging at special work sites

- Box 144, Indian (exempt income) – Other income
- Box 146, Indian (exempt income) – Pension or superannuation
- Box 148, Indian (exempt income) – Lump-sum payments
- Box 195, Indian (exempt income) – PRPP payments

T4A(20) - Back

New codes (57 – 60) added to T4 slip


- For the 2020 tax year, four (4) new codes have been added to the T4 to help CRA validate payments made under CERB, CEWS and CESB introduced as a result of COVID-19.
- The new information codes below are to be used when employers are reporting employment income and retroactive payments in the following periods
 - Code 57 - March 15 to May 9
 - Code 58 - May 10 to July 4
 - Code 59 - July 5 to August 29
 - Code 60 - August 30 to September 26
- It should be noted that 2020 T4 slips already filed, employers will not need to refile

Employer's name – Nom de l'employeur

54 Employer's account number / Numéro de compte de l'employeur

12 Social insurance number
Numéro d'assurance sociale

28 Exempt – Exemption
CPP/QPP EI PPIP
RPC/RRQ AE RPAP



Canada Revenue
Agency
Year
Année

Agence du revenu
du Canada

T4

Statement of Remuneration Paid
État de la rémunération payée

Province of employment
Province d'emploi

10

Employment code
Code d'emploi

29

Employment income – line 10100
Revenus d'emploi – ligne 10100

14

Employee's CPP contributions – see over
Cotisations de l'employé au RPC – voir au verso

16

Employee's QPP contributions – see over
Cotisations de l'employé au RRQ – voir au verso

17

Employee's EI premiums – line 31200
Cotisations de l'employé à l'AE – ligne 31200

18

RPP contributions – line 20700
Cotisations à un RPA – ligne 20700

20

Pension adjustment – line 20600
Facteur d'équivalence – ligne 20600

52

Employee's PPIP premiums – see over
Cotisations de l'employé au RPAP – voir au verso

55

Income tax deducted – line 43700
Impôt sur le revenu retenu – ligne 43700

22

EI insurable earnings
Gains assurables d'AE

24

CPP/QPP pensionable earnings
Gains ouvrant droit à pension – RPC/RRQ

26

Union dues – line 21200
Cotisations syndicales – ligne 21200

44

Charitable donations – line 34900
Dons de bienfaisance – ligne 34900

46

RPP or DPSP registration number
N° d'agrément d'un RPA ou d'un RPDB

50

PPIP insurable earnings
Gains assurables du RPAP

56

Employee's name and address – Nom et adresse de l'employé

Last name (in capital letters) – Nom de famille (en lettres moulées) First name – Prénom Initial – Initiale

→

| Other information (see over) | Box – Case | Amount – Montant | Box – Case | Amount – Montant | Box – Case | Amount – Montant |
|---------------------------------|------------|------------------|------------|------------------|------------|------------------|
| | | | | | | |

| Autres renseignements (voir au verso) | Box – Case | Amount – Montant | Box – Case | Amount – Montant | Box – Case | Amount – Montant |
|--|------------|------------------|------------|------------------|------------|------------------|
| | | | | | | |

T4(20) - Front

Report these amounts on your tax return.

- 14 – **Employment income** – Enter on line 10100.
- 16 – **Employee's CPP contributions** – See lines 30800 and 22215 in your tax guide.
- 17 – **Employee's QPP contributions** – See lines 30800 and 22215 in your tax guide.
- 18 – **Employee's EI premiums** – See line 31200 in your tax guide.
- 20 – **RPP contributions** – Includes past service contributions. See line 20700 in your tax guide.
- 22 – **Income tax deducted** – Enter on line 43700.
- 39 – **Security options deduction 110(1)(d)** – Enter on line 24900.
- 41 – **Security options deduction 110(1)(d.1)** – Enter on line 24900.
- 42 – **Employment commissions** – Enter on line 10120. This amount is already included in box 14.
- 43 – **Canadian Armed Forces personnel and police deduction** – Enter on line 24400. This amount is already included in box 14.
- 44 – **Union dues** – Enter on line 21200.
- 46 – **Charitable donations.**
- 52 – **Pension adjustment** – Enter on line 20600.
- 55 – **Provincial parental insurance plan (PPIP)** – Residents of Quebec, see line 31205 in your tax guide. Residents of provinces or territories other than Quebec, see line 31200 in your tax guide.

- 66 – **Eligible retiring allowances** – See line 13000 in your tax guide.
- 67 – **Non-eligible retiring allowances** – See line 13000 in your tax guide.
- 74 – **Past service contributions for 1989 or earlier years while a contributor**
- 75 – **Past service contributions for 1989 or earlier years while not a contributor** – See line 20700 in your tax guide.
- 77 – **Workers' compensation benefits repaid to the employer** – Enter on line 22900.

- | | |
|--|-----------------------------|
| 78 – Fishers – Gross income | See Form T2121. |
| 79 – Fishers – Net partnership amount | Do not enter on line 10100. |
| 80 – Fishers – Shareperson amount | |

- | | |
|---|-----------------------------|
| 81 – Placement or employment agency workers | Gross income |
| 82 – Taxi drivers and drivers of other passenger-carrying vehicles | See Form T2125. |
| 83 – Barbers or hairdressers | Do not enter on line 10100. |

- 85 – **Employee-paid premiums for private health services plans** – See line 33099 in your tax guide.
- 87 – **Emergency services volunteer exempt amount** – See "Emergency services volunteers" at line 10100, and the information at lines 31220 and 31240 in your tax guide.

Do not report these amounts on your tax return. For Canada Revenue Agency use only.
(Amounts in boxes 30, 32, 34, 36, 38, 40, 57, 58, 59, 60, and 86 are already included in box 14.)

- 30 – **Board and lodging**
- 31 – **Special work site**
- 32 – **Travel in a prescribed zone**
- 33 – **Medical travel assistance**
- 34 – **Personal use of employer's automobile or motor vehicle**
- 36 – **Interest-free and low-interest loans**
- 38 – **Security options benefits**
- 40 – **Other taxable allowances and benefits**

- 57 – **Employment income – March 15 to May 9**
 - 58 – **Employment income – May 10 to July 4**
 - 59 – **Employment income – July 5 to August 29**
 - 60 – **Employment income – August 30 to September 26**

- 86 – **Security options election**
- 88 – **Indian (exempt income) – Self-employment**

Privacy Act, personal information bank numbers CRA PPU 005 and CRA PPU 047

T4(20) - Back



2020 COVID-19 related assistance

The following general rules regarding COVID-19 related assistance apply to self-employed persons or businesses who file a T1 or T2 (Schedule 1) return:

- If you received federal, provincial, or territorial government assistance in 2020, such as :
 - the Canada Emergency Wage Subsidy (CEWS), and
 - the Canada Emergency Rent Subsidy (CERS),the amount received is taxable. Include it in income immediately before the end of the claim period to which they relate.
- If you received a government loan such as CEBA or CECRA, include in income any portion that is forgivable in the year in which the loan was received.

In certain cases an election can be made for the year the outlay or expense is made or incurred, whichever is later. Speak to your accountant to determine if this relates to you.



Capital Cost Allowance (CCA)

What is Capital Cost Allowance (CCA)? The deduction you can claim over a period of several years for the cost of [depreciable property](#), that is, property that wears out or becomes obsolete over time such as a building, furniture, or equipment, that you use in your business or professional activities.

Capital expenses provide a benefit that usually lasts for several years. **For example, costs to buy or improve your property are capital expenses.** Generally, you cannot deduct the full amount of these expenses in the year you incur them. Instead, you can deduct their cost over a period of several years as [capital cost allowance \(CCA\)](#).

These expenses can include:

- the purchase price of rental property
- legal fees and other costs connected with buying the property
- the cost of furniture and equipment you are renting with the property

Current expense vs Capital expense

| | Current expenses | Capital expenses |
|------------|--|--|
| Definition | Recurring expenses that provide a short-term benefit. | Expense generally gives a lasting benefit or advantage. |
| Treatment | Cost is deducted in full from your gross business income in the year you incur it. | Cost is spread out over several years according to the capital cost allowance (CCA) class. |
| Example | The cost of repairs your business makes to keep an asset in the same condition as it was when acquired, such as painting the exterior of a building. | Putting vinyl siding on the exterior walls of a wooden building. |

Accelerated Investment Incentive

- Provides an enhanced first-year allowance for certain eligible property subject to CCA
- Applies the prescribed CCA rate for a class up to one-and-a-half times the net addition to the class for the year
- Suspends the existing CCA half-year rule

Applies to eligible **property acquired after November 20, 2018** and must be available for use before 2028 in order to qualify.

More information on CCA can be found on our website:

- [Guide T4012, T2 Corporation Income Tax Guide](#)
- [Income Tax Folio, S3-F4-C1, General Discussion of Capital Cost Allowance](#)
- <https://www.canada.ca/en/departement-finance/news/2020/03/business-investment-in-zero-emission-automotive-vehicles-and-equipment.html>
- <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/sole-proprietorships-partnerships/report-business-income-expenses/claiming-capital-cost-allowance.html>

CFIB's commitment

Information is changing rapidly and our website will be updated regularly

cfib.ca/covid19

CRA will answer as many questions as they can today and we will use your comments and questions to update CFIB's and CRA's FAQs

If your question does not get answered you can call CFIB at 1-888-234-2232 or [ask](#) on our website at cfib.ca/covid19.

CRA's resources

You can also call CRA's business enquiries helpline at
1-800-959-5525

or

visit CRA's website for Guides:

- [T1 Package](#)
- T4012 T2 Corporation - Income Tax Guide (version for 2020 to be published in March 2021)
- [GST/HST for businesses](#)
- [Payroll information returns](#)
- [RC4120 Employers' Guide - Filing the T4 slip and Summary](#)
- [TWS reporting](#)

[Watch CRA webinars](#) like those on:

- Taxation Year-End filing for Business
- [10% Temporary Wage Subsidy](#)





cfib.ca/covid19



1-888-234-2232

APPENDIX

Temporary Wage Subsidy (TWS) and TWS Self-Identification Form (PD27)

Unfortunately the CRA was unable to send TWS/PD27 representatives for the purposes of this webinar. We are unable to answer any live questions regarding PD27 or TWS at this time. Please note that a subject matter expert from the CRA will be advised of any questions and will follow up as soon as possible.

Q1: What is the PD27? TWS? How is it claimed?

PD27 10% Temporary Wage Subsidy Self-Identification Form for Employers is a self-identification form that an eligible employer must complete for each of its payroll accounts if they wish to reduce their remittances.

The Temporary Wage Subsidy for Employers (“TWS”) is a 3-month measure that allows eligible employers to reduce the amount of payroll deductions required to be remitted to the CRA. This only applies to the federal, provincial, or territorial income tax portion of the remittance.

The TWS is equal to 10% of the remuneration you paid from March 18 to June 19 2020, up to \$1,375 for each eligible employee. The maximum total for each eligible employer is \$25,000.

An eligible employer is responsible for calculating the allowable subsidy manually and reducing their remittance accordingly.

If an eligible employer took advantage of the TWS and has not reduced their remittance, a PD27 should be completed and submitted to the CRA.

Q2: When does the PD27 have to be filed? Before or after T4s? Will the PD27 affect how I file my T4s?

It is best to provide all the information requested in Form PD27 as soon as possible to avoid receiving a discrepancy notice at the end of the year.

You do not need to wait to file your T4 information return.

Q3: Who needs to complete it?

You need to complete and submit Form PD27 to the CRA if you are eligible to take advantage of the TWS and:

- You already reduced your remittances
- You intend to reduce your remittances (the form will help you calculate your eligible TWS amount)
- You claimed the Canada Emergency Wage Subsidy (CEWS) and need to confirm on Form PD27 the amount of the TWS you are taking advantage of (Line F of your CEWS application)
- You claimed the CEWS and do not want to take advantage of the TWS (i.e., electing to claim \$0 on the TWS)

Q4: Do you have to file PD27 even if you did not claim the TWS but were eligible?

If you did not take advantage of CEWS or TWS, you do not have to file a PD27. If you took advantage of CEWS, you must file a PD27 to indicate that you did not take advantage of TWS.

Q5: If I did not claim the TWS but was eligible, will my payroll account be automatically adjusted (i.e., will I get a credit on my payroll account)?

No, your account will not be automatically adjusted. A signed PD27 is required in order to credit your payroll account assuming you meet the eligibility criteria.

Q6: Do you have to file PD27 if you did not claim the TWS but claimed CEWS?

Yes, to indicate that you did not claim TWS.

If you are eligible for both the CEWS and TWS and want to claim the CEWS only, you should complete the PD27 form to elect for your TWS to be 0. When completing the CEWS application, you will enter \$0 for the TWS amount.

The TWS and CEWS interact only in the 1st four claims period of the CEWS. If you previously elected 0% on the CEWS for the TWS and would like to take advantage of the TWS, you will need to amend your CEWS claims for the periods that you want the TWS.

If you claimed CEWS and are ineligible for the TWS, you do not have to complete a PD27.

Q7: Can someone who did not have a CRA payroll program active after March 18, 2020 be eligible for the TWS?

If the employer did not pay salary, wages, bonuses, or other remuneration to an eligible employee from March 18, 2020 to June 19, 2020, they cannot receive the Temporary Wage Subsidy, even if they are an eligible employer.

Q8: a) Who is considered an eligible employee? b) Our member said that the number of employees eligible per pay period changed due to layoffs and rehires. Do they use the total number of people that were eligible to the TWS during the three months? The number of employees eligible to the TWS during each pay period?

a) An individual who is employed in Canada.

b) The total number of people that were employed during the eligible period of March 18 to June 19. For example, if 4 individuals were employed from March 18 to March 25, and 2 were laid off on March 26th, the total number of eligible employees will be 4. If 1 individual initially laid off was rehired during the eligible period, the total number of employees will still be 4. If however, 1 individual was hired (not part of the employees previously laid off), the total number of people will be 5.

Q9: Paid or earned? Is the information entered by pay period or pay date?

Paid. Information is entered by pay period.

If the pay period was prior to March 18th and the employees were paid between March 18th and June 19th, the remuneration may be eligible for the TWS. Pay periods during the eligible period of March 18 to June 19th whose pay dates occur after June 19th will not be eligible for the TWS.

Example: (1) A monthly pay period of June 1 – June 30th. If the payments were issued on June 30th, the June payroll will not be eligible for the TWS. (2) Pay period was March 1 – March 13th, payments were issued on March 18th. The amounts may be eligible for the TWS if all other eligibility criteria are met. In Part D of the PD27, enter the pay periods in the additional comments, state the dates when the payments were made.

Q10: Who is an authorized signature?

An authorized signature could be that of the business owner or an authorized representative. An authorized representative is a person, firm, or group who is not the owner of the business but represents the business or legal entity. The authorized representative must have at least a level 2 authorization in order for the signature to be authorized.

See also: [Levels of authorization](#)

Q11: There are 14 pay periods, but only 12 lines. What should they do?

The TWS is based on the date the eligible employee is paid on or between March 18, 2020 and June 19, 2020. Employers can attach another page to the form to include the additional information if they submit the completed PD27 in a paper format. Employers may also use the "Additional comments" section in Part D of the form to provide information on the additional pay period between March 18 to June 19 2020.

Employers can also submit their Form PD27 using MyBA. Any additional periods can be added in the "Additional comments" section or could submit another Form PD27 for the additional pay periods.

Q12: How long does it take for the filed PD27 to show on your account online?

It can take up to 14 calendar days from the date the CRA received the form for it to appear in our Correspondence Tracking Inventory System (CTIS) and 90 days for the CRA to process the form.

Q13: How do I claim the TWS retroactively? How do I calculate the TWS?

To take advantage of the TWS retroactively, you have to meet the eligibility criteria and manually calculate the subsidy. You can reduce your remittance for 2020 by the amount of the subsidy. Note: this can only be applied to the federal, provincial, and territorial income tax portion of the remittance. You will have to submit a PD27 to report the amounts claimed. If you are unable to reduce your remittance, you can request a refund. Refunds will only be processed once the 2020 Information Return has been received.

Q14: What happens if an eligible employee was short-term and did not hit the \$1,375? Can they still claim the extra, or would that be seen as getting too much for another employee?

An employer is entitled to a maximum subsidy of \$1,375 per employee, regardless of how much each eligible employee is paid during the eligible period. For example, if an eligible employer has 2 eligible employees and one is paid \$1,000 while the other is paid \$3,750, the employer would be entitled to a maximum subsidy of \$2,750 ($\$1,375 \times 2$ eligible employees).



Other 2020 changes

2020 T1 Package

- **The Canadian journalism labour tax credit** is available for 2019 and later years.
- **The Mineral exploration tax credit** for flow-through share investors is now available through March 31, 2024.

Corporate Income Product (CIP)

- **Canadian journalism labour tax credit for 2019 and later tax years**
 - Changes were announced to the program retroactive to January 1, 2019
 - T2 Schedule 58 for corporations and T5013 Schedule 58 for partnerships are now available.
- **Tax deferred cooperative shares**
 - The tax deferral that applies to patronage dividends paid by an eligible agricultural cooperative to its members in the form of eligible shares issued before 2021 will be extended to eligible shares issued before 2026.
- **Capital cost allowance**
 - New Class 56 introduced and extension of classes 54 and 55
 - Use T2 Schedule 8 to claim CCA

Unincorporated Businesses and Business Number (UBBN)

- **Capital cost allowance**
 - New Class 56 introduced and extension of classes 54 and 55
 - Updated Zero-Emission Vehicles (ZEV) definition
- **Research and Development**
 - Added general information to the Scientific Research and Experimental Development (SR&ED) Program which gives tax incentives to encourage Canadian businesses of all sizes and in all sectors who conduct R&D to help create a thriving R&D culture in Canada and a link to the webpage.
- **GST/HST updates related to taxi and commercial ride-sharing services, daycare and people with gross revenue of \$30,000 or under**
 - If you carry on a taxi business or provide commercial ride-sharing services, you must register for the GST/HST regardless of your income.
- **Daily flat rate amount for meals updated**
 - Flat rate to claim extra food and beverage for normal working day went from \$17.50 to \$23
- **Electricity costs for ZEV added as deductible expenses**
- **Added reference to memorandum in relations to passenger vehicle purchases**
- **Lifetime capital gains exemption amount updated**
 - From 433,456 to 441,692

Agri-Stability and Agri-Invest (ASAI)

- Private insurance proceeds update
 - In the 2020 program year, payments you receive from private insurance for price, revenue, production or margin loss will no longer be included in the calculation of your program year margin for Agri-Stability.
- New program payment codes
 - Use the new codes to report COVID-19 payments, dairy payments and private insurance proceeds.
- Livestock set aside program
 - Use this program to report payments you received to help offset extra expenses because of limited processing capacity at packing plants.

New classes to CCA (Budget 2019)

As part of Budget 2019, the Government introduced a temporary enhanced first-year CCA rate of 100% in respect of eligible zero-emission vehicles. Two new CCA classes were created.

- **Class 54**, which includes zero-emission vehicles that would otherwise be included in Class 10 (most motor vehicles not included in any other class) or 10.1 (passenger vehicles that cost more than \$30,000 before sales taxes).
- **Class 55**, which includes zero-emission vehicles that would otherwise be included in Class 16 (which includes taxi cabs, vehicles acquired for the purpose of short-term renting or leasing, and heavy trucks and tractors designed for hauling freight).
- In the case of Class 54, there is a limit of \$55,000 (plus sales taxes) on the amount of CCA deductible in respect of each zero-emission passenger vehicle.

New class (2020)

New for 2020

The Government proposes to provide a temporary enhanced first-year capital cost allowance (CCA) rate of 100% for eligible zero-emission automotive equipment and vehicles that currently do not benefit from the accelerated rate provided by [classes 54 and 55](#). These vehicles and equipment would be included in new **class 56**.

The enhanced rate would apply only for the tax year in which the equipment or vehicle first becomes available for use. It would be subject to the following phase-out:

- 100% after March 1, 2020 and before 2024
- 75% after 2023 and before 2026
- 55% after 2025 and before 2028

The CCA would be deductible on any remaining balance on a declining-balance basis at a rate of 30%.

More information on CCA can be found on our website:

- [Canada.ca/revenue-agency](https://www.canada.ca/revenue-agency)
- [Guide T4012, T2 Corporation Income Tax Guide](#)
- [Income Tax Folio, S3-F4-C1, General Discussion of Capital Cost Allowance](#)
- <https://www.canada.ca/en/departement-finance/news/2020/03/business-investment-in-zero-emission-automotive-vehicles-and-equipment.html>
- <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/sole-proprietorships-partnerships/report-business-income-expenses/claiming-capital-cost-allowance.html>