

***Agenda Item 4(d)***  
***June 9/20 Board Meeting***

**Government of Canada's 10% Temporary Wage Subsidy for Employers (TWSE): CAFII Decision Not To Apply**

CAFII is eligible for the Government of Canada's COVID-19 pandemic-related 10% wage subsidy called the Temporary Wage Subsidy for Employers (TWSE).

CAFII can apply for the TWSE as the Association meets the three eligibility requirements:

- is a non-profit organization;
- had an existing business number and payroll program account with Canada Revenue Agency (CRA) on March 18, 2020; and
- pays salary, wages, bonuses, or other remuneration to an eligible employee (an eligible employee is an individual who is employed in Canada).

The subsidy is equal to 10% of the remuneration which the employer pays from March 18, 2020 to June 19, 2020, up to \$1,375 for each eligible employee to a maximum of \$25,000 total per employer.

The subsidy amount that CAFII would be eligible for is a \$2,750 reduction in required remittances to CRA (\$1,375 X 2).

Eligible employers must apply for the subsidy via their payroll services provider, and will not receive it automatically, i.e. it is not a universal, across-the-board benefit/subsidy that CRA will automatically be dispensing. Not applying for the TWSE is the vehicle for "opting out."

The potential TWSE subsidy for CAFII is modest and inconsequential (\$2,750) and if it were to come to the media's attention that CAFII had applied for the TWSE ("the industry Association of the insurance arms of the Big Banks"), there is the potential for negative coverage and reputational harm. The Conservative Party of Canada and the Liberal Party of Canada were both recently criticized in the media for applying for the TWSE.

In considering whether or not CAFII should apply for the TWSE, CAFII's Treasurer, EOC Chair, and Co-Executive Directors have determined that the potential risks of doing so outweigh the potential benefits, and that CAFII should take a pass and not apply.