



**Sunil and Nita LLP**  
Tax and Business Advisors Chartered Professional Accountants



**October 2020**

### **Happy Thanks Giving!**

Wishing all of you a very Happy Thanksgiving! May this day be a beautiful reminder of the wonderful things in life.

We understand that Coronavirus has affected everyone's lives adversely, but it has been amazing to see people fighting spirit and taking care of each other. Due to the Pandemic getting together may be challenging with loved ones but remember this time will pass and we will be together again. Count your blessings.



### **10% Temporary Wage Subsidy (TWS) for Employers**

The 10% Temporary Wage Subsidy for Employers (TWS) is a three-month measure that allows eligible employers to reduce the amount of federal, provincial, or territorial income tax they have to remit to the Canada Revenue

Agency (CRA). The subsidy is equal to 10% (or a lower percentage the employer elects to claim) on the remuneration paid from March 18 to June 19, 2020, up to \$1,375 for each eligible employee.

You will need to keep information to support your 10% Temporary Wage Subsidy for Employers (TWS) calculation. The Canada Revenue Agency (CRA) may ask you to provide the following:

- total remuneration paid from March 18 to June 19, 2020
- federal, provincial, or territorial income tax deducted from the remuneration paid
- Canada Pension Plan contributions (CPP), Employment Insurance premiums (EI) deducted from the remuneration paid
- total number of eligible employees employed from March 18 to June 19, 2020

You will need to submit a self-identification form to avoid receiving a discrepancy notice at the year end. You do not need to wait until you file T4 summary information return. Self-identification form (PD27) is available on the CRA web site. The form can be submitted online, by mail or fax.

### **Some facts about Meal & Entertainment Expenses**

As we know that generally meal and entertainment



expenses are limited to 50% deduction. The entertainment is defined to include amusement and recreation such as tickets for the theatre, sporting events and accommodation at a resort to provide entertainment. However, there are some exceptions to this rule:

Cost of food supplies in the ordinary course of business. For example, restaurant giving out food as a promotional sample,

- food provided to employees at work camp those working on construction project,
- food, beverage or entertainment available to all employees at a particular place of business for up to six special events in a year. For example, Christmas party or similar event for all employees. In Addition, CRA accepts where a special event such as Christmas party, is held separately for each division because all employees cannot be accommodated at one venue.
- providing meals to the participants of training courses

Please don't hesitate to contact us in case of any question relating to accounting and tax.



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