

# COVID-19

## ECONOMIC RESPONSE PLAN SUMMARY

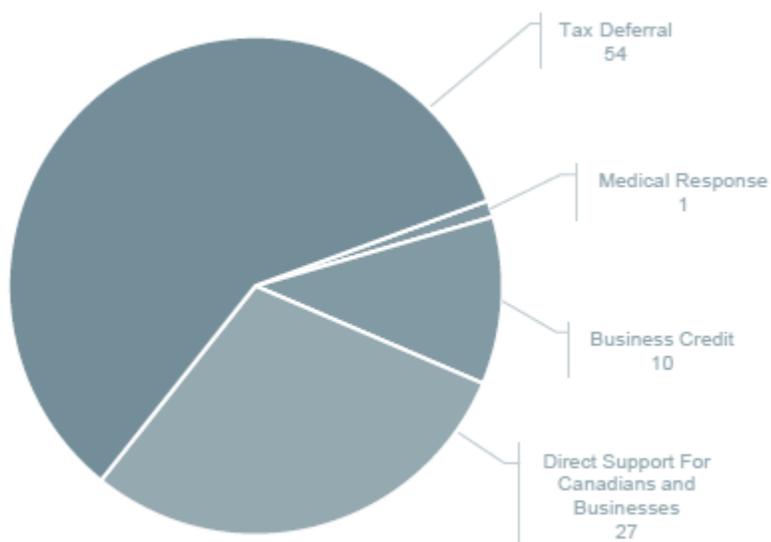
MARCH 19, 2020

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## FUNDING ANNOUNCEMENT SUMMARY

COVID 19 Funding (\$ Billion)



Amount Allocated (\$ Billion)	Funding Purpose	Announcement Date
1	Medical Response	March 11, 2020
10	Business Credit	March 13, 2020
27	Direct Support for Canadians and Businesses	March 18, 2020
54	Tax Deferral	March 18, 2020
<b>92</b>	<b>TOTAL</b>	

## 1. MEDICAL RESPONSE \$1 BILLION

Beginning on March 11, Prime Minister Justin Trudeau announced **\$1 Billion** of funding to fight the COVID-19 pandemic. This funding was targeted at the health sector and was broken down as follows:

- **\$500M to support critical health care system needs**
- **\$275M for vaccine development**
- **\$100M for enhanced testing**
- **\$50M** for communication efforts
- **\$50M to assist other countries**
- **\$50M for personal protection equipment**

## 2. BUSINESS CREDIT AVAILABILITY PROGRAM \$10 BILLION

### 2.1. Support for Small Businesses

On March 13, Federal Finance Minister Bill Morneau announced that **\$10 Billion** would be available through the Business Credit Availability Program and to be administered through the Business Development Bank of Canada (“BDC”) and Export Development Canada (“EDC”)

The BDC is offering “Support for entrepreneurs impacted by the Coronavirus COVID-19” using the following three programs:

#### **Small Business Loan** ([Link](#))

- Loans of **up to \$100,000** to buy equipment, software or for other business expenses
- Capital payment can be postponed for the first 6 months and repaid over five years

#### **Working Capital Loan** ([Link](#))

- Loans of more than \$100,000 for working capital, increase inventory to meet demand, taking advantage of discounts offered by suppliers, and supplement a line of credit
- Payments can be matched to cash flow patterns
- Personal assets will not be taken as collateral for the loan

#### **Purchase Order Financing** ([Link](#))

- Cover up to 90% of the PO amount associated with larger sales, maintain line of credit or grow your business
- Shorter terms than Working Capital Loan

## 3. DIRECT SUPPORT FOR CANADIANS AND BUSINESSES \$27 BILLION

On March 18, Prime Minister Justin Trudeau announced additional measures in the amount of **\$27 Billion** of direct funding targeted to support individuals and small businesses.

### 3.1. Support for Canadians

#### 3.1.1. Employment Insurance (EI) Sickness Benefits

For Canadians who do not have access to paid sick leave, are sick, quarantined or are forced to stay home to care for individuals, the Government is waiving the one-week waiting period for those individuals in imposed quarantine that claim Employment Insurance (EI) sickness benefits. Further, the requirement to provide a medical certificate to access EI sickness benefits is also waived. This temporary measure has come into effect March 15, 2020.

Applications can be submitted anytime [on-line](#).

#### 3.1.2. Employment Insurance (EI) Work-Sharing (WS) Program

Workers who agree to reduce their normal working hours as a result of developments beyond the control of their employers can receive EI benefits **for an extended period of up to 76 weeks** due to the downturn in business as a result of COVID-19.

Prior to applying, employers must review the [Application Guide](#) and provide their Employees with a copy of the [Employee Annex](#). Completed applications must be submitted using the following means:

- Atlantic Provinces -FAX: 1-902-566-7697
- Quebec – EMAIL: [QC-DPMTDS-LMSDPB-TP-WS-GD@servicecanada.gc.ca](mailto:QC-DPMTDS-LMSDPB-TP-WS-GD@servicecanada.gc.ca)
- Ontario – FAX: 1-866-720-6094
- Western Canada and Territories: FAX 1-604-666-8920

#### 3.1.3. Emergency Care Benefit

Administered by the Canada Revenue Agency (CRA) the new Emergency Care Benefit (ECB) will provide a flat-payment of up to **\$900 bi-weekly, for up to 15 weeks** to:

- workers, including the self-employed, who are quarantined, sick with COVID-19, and workers taking care of a family member who is sick with COVID-19, but do not qualify for EI from the Government;
- parents with children who require care or supervision due to school closures that are unable to earn employment income.

Application for the Benefit will be available in April 2020, and will require Canadians to attest that they meet the eligibility requirements. They will need to re-attest every two weeks to reconfirm their eligibility. Canadians will select one of three channels to apply for the Benefit:

1. by accessing it on their [CRA MyAccount](#) secure portal;
2. by accessing it from their secure [My Service Canada Account](#); or
3. by calling a toll free number equipped with an automated application process.

#### **3.1.4. Emergency Support Benefit**

In the event that a worker is not eligible to receive EI and is also facing unemployment or reduced hours as a result of the impact of Covid-19, the Government is introducing an Emergency Support Benefit delivered through the CRA. The emergency support benefit will offer payments of undisclosed amounts to unemployed workers who are not eligible for EI in April, at a date to be determined. Canadians will be able to apply for the benefit through [CRA MyAccount](#) or [My Service Canada Account](#) or by calling a toll-free number that has not yet been made public.

#### **3.1.5. Goods and Services Tax credit (GSTC) Enhancement**

The Government is proposing to provide a one-time special payment through the Goods and Services Tax credit (GSTC) by early **May 2020** to the 12 million low and modest income families who may require additional help with their finances. This measure will inject \$5.5 Billion into the economy by offering close to **\$400 for single individuals** and close to **\$600 for couples**

#### **3.1.6. Canada Child Benefit (CCB)**

For families with children who may also require additional support, the Government is proposing to increase the maximum annual Canada Child Benefit (CCB) payment amounts for the 2019-20 benefit year by \$300 per child. The overall increase based on current recipients will on average be \$550 per family in increased CCB. The incremental funding will be made in **May**. This measure will deliver almost \$2 Billion in extra support.

#### **3.1.7. Registered Retirement Income Fund (RRIF)**

In recognition of volatile market conditions and their impact on many seniors' retirement savings, the Government is reducing the required minimum withdrawals from Registered Retirement Income Funds (RRIFs) by 25% for 2020.

#### **3.1.8. Canada Student Loans**

For all individuals who are currently in the process of repaying Canada Student Loans, the government is placing a six-month interest-free moratorium on the repayment of the loan. These measures will become effective **March 30**.

### 3.1.9. Indigenous Community Support Fund

The Government is providing \$305M for a new distinctions-based Indigenous Community Support Fund to address immediate needs in First Nations, Inuit, and Métis Nation communities. Decisions on how this funding will be delivered are still being made.

## 3.2. Support for Small Businesses

### 3.2.1. Helping Businesses Keep Their Workers

To support businesses that are facing revenue losses and to help prevent lay-offs, the government is proposing to provide eligible small employers a temporary wage subsidy for a period of three months. This subsidy will be equal to **10% of remuneration paid** during that period, up to a **maximum subsidy of \$1,375 per employee** and **\$25,000 per employer**.

Businesses will be able to benefit immediately from this support by reducing their remittances of income tax withheld on their employees' remuneration.

Only a CCPC, charity and NPO is eligible for this support.

- CCPC, with less than \$15million taxable capital on an associated basis can claim it.
- Associated CCPCs will not be required to share the maximum subsidy of \$25,000 per employer.
- Subsidy is received by a reduction in the remittances made to the CRA. Employee withholdings does not change.
- Remittance period that includes remuneration paid between March 18, 2020, and June 20, 2020.
- Subsidy is considered taxable income to the corporation

<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>

## 4. TAX DEFERRAL \$54 BILLION

On March 18, Prime Minister Justin Trudeau announced measures in the amount of **\$54 Billion** to allow for tax payment deferrals for both individual tax payers, and small businesses.

### 4.1. Support for Canadians

#### 4.1.1. Flexibility for Tax Payers

For individuals, the return filing due date will be **deferred until June 1, 2020**. However, individuals who expect to receive benefits under the GSTC or the Canada Child Benefit are encouraged to not delay the filing of their return to ensure their entitlements for the 2020-21 benefit year are properly determined. For trusts having a taxation year ending on

December 31, 2019, the return filing due date will be deferred until May 1, 2020.

The Canada Revenue Agency will allow all taxpayers to defer, until **after September 1, 2020**, the **payment of any income tax amounts** that become owing on or after March 18, 2020 and before September 2, 2020. This relief would apply to tax balances due, as well as instalments, under Part I of the Income Tax Act. No interest or penalties will accumulate on these amounts during this period.

## 4.2.Support for Small Businesses

### 4.2.1.Flexibility for Businesses Filing Taxes

The Canada Revenue Agency will allow all businesses to **defer, until after September 1, 2020**, the payment of any income tax amounts that become owing on or after March 18 2020 and before September 2, 2020. This relief would apply to tax balances due, as well as instalments, under Part I of the Income Tax Act. No interest or penalties will accumulate on these amounts during this period.

## 6. ADDITIONAL INFORMATION

The following links provide general resources and information for Canada and Alberta as it relates to health, employer / employee support, and news:

### Toolkits:

- [RSM Canada: Coronavirus Resource Centre](#) (Our affiliated Network)
- [Government of Canada: Economic Response Plan](#)
- [Canadian Chamber of Commerce: Pandemic preparedness for business](#)
- [Canadian Manufacturers and Exporters \(CME\): COVID-19 resources](#)
- [Government of Alberta: COVID-19 general information and updates](#)
- [Government of Ontario: COVID-19 general information and updates](#)
- [Government of Canada: COVID-19 general information and updates](#)

### Government Procurement Opportunities:

- [Public Works and Government Services Canada: Help Canada combat COVID-19 - submission form](#)

**Information:**

- [Bank of Canada: News](#)
- [Canadian Federation of Independent Business \(CFIB\): COVID-19 and small business](#)
- [Export Development Canada \(EDC\): What Canadian exporters need to know about COVID-19](#)
- [Organization for Economic Cooperation and Development \(OECD\): Economic Outlook, Interim March 2019](#)
- [Tourism Industry Association of Ontario \(TIAO\): COVID-19 resources](#)