

## **Government of Canada Measures to Support Businesses and Canadians as a Result of the COVID-19 Crisis<sup>1</sup>**

The Government of Canada has announced measures to support businesses and Canadians during the COVID-19 crisis.

Finance Minister Bill Morneau, this morning, announced that “emergency funds should be flowing in two to three-weeks.”

The following is a summary of these measures.

### **EMPLOYERS/SELF-EMPLOYED CANADIANS**

#### **Emergency Support Benefit**

- A new program, the Emergency Support Benefit will target self-employed workers, effective in April 2020

Details are not yet available

#### **Emergency Care Benefit**

- A new Emergency Care Benefit of up to \$900 biweekly for up to 15-weeks for self-employed people and others who are **not** eligible for Employment Insurance (EI) sickness benefit

#### **Extended Income Tax Payments**

- Canada Revenue Agency (CRA) will defer tax payments until after August 31, 2020, to help businesses with cash flow, owing on or after March 18 and before September 2020

This extension also applies to tax balances due, as well as tax instalment payments

#### **Temporary Business Wage Subsidy**

- Provide eligible small businesses a 10% wage subsidy for the next 90 days, up to a maximum of \$1,375 per employee and \$25,000 per employer

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<sup>1</sup> These contents are current as at 2:00 pm CDT, March 19, 2020. This information is are intended to provide general information and does **not** constitute legal, tax, accounting, or other professional advice-

Employers will receive this wage subsidy immediately as they can reduce the amount of income tax that has been withheld before transmitting payroll deductions to the Canada Revenue Agency

The \$1,375 maximum per employee means that the maximum is reached for employees earning more \$54,000 per year

**Free Business Development of Canada (BDC) Webinar: “[How to Cope with the Impacts of COVID-19 on Your Business](#)”**

This free webinar will take place on Wednesday, March 25th, at 12:00 Noon (EST)

To register for this webinar [click here](#)

“The spread of COVID-19 poses important challenges to Canadian businesses. With the situation constantly evolving, you need to be prepared for any disruptions. Join BDC experts as they share short-term economic perspectives and advise on how to manage through the crisis.”

**Launch Business Credit Availability Program**

- Increase the credit available to small and medium Canadian businesses

Details are not yet available

- Program to provide additional support to businesses experiencing cash flow challenges through private lenders, the Business Development Bank of Canada ([BDC](#)) and Export Development Canada ([EDC](#))

Relief measures, for qualified businesses include:

- Working capital loans of up to \$2 million with flexible terms and payment postponements for up to six-months
- Postponement of payments for up to six-months, free of charge, for existing BDC clients with total BDC loan commitments of \$1 million or less
- Reduced rates on new eligible loans

- Additional details regarding the Business Credit Availability Program (BCAP) measures, including industry specific support to be announced soon

The Export Development Corporations has a growing number of articles on "[how business can cope with COVID-19](#)."

### **Business Develop Bank of Canada's (BDC) Small Business Loans**

- BDC has a [Small Business Loan](#) program

Loans of up to \$100,000 can be applied for online

The interest rate on this type of loan is BDC's base rate [now 5.05%] + 1% to 12%

### **Changes to Work Share Program**

- The maximum duration of Work Sharing agreements is extended to 76-weeks from 38-weeks

### **Québec Administrative Extensions**

- The Province of Québec will harmonize with the Government of Canada's tax filing and tax extensions, as detailed above
- The new [Temporary Aid for Workers' Program](#) (PATT COVID-19) offers financial assistance to meet the needs of workers who cannot earn all of the work income due to COVID-19 and are **not** eligible for other Québec financial assistance programs

## **INDIVIDUALS, FAMILIES, AND WORKERS**

### **Emergency Care Benefit**

- Workers who need to stay home because of COVID-19 but are **not** eligible for Employment Insurance (EI) may qualify for a new Emergency Care Benefit, which provides up to \$900 every two weeks, for up to 15 weeks, will be available to individuals, including the self-employed, who fall ill with COVID-19, are placed in quarantine or take care of a family member who is ill

The benefit will also be provided to parents with children who require care or supervision due to school closures, and are unable to earn employment income

The CRA will administer the benefit and eligible individuals will be able to apply online or by phone for the benefit starting in April 2020

“Canadians have three ways to apply for the emergency care benefit: through the Canada Revenue Agency [MyAccount secure portal](#), through a [My Service Canada account](#), or by calling 833-381-2725 for an automated application process.”

Applicants will **not** have to provide a medical certificate, but will have to re-attest that they meet the eligibility requirement every two weeks to reconfirm eligibility

### **Emergency Support Benefit**

- Provide funding to recently unemployed Canadians who do **not** qualify for EI

Further details, including the size of individual payments, will be announced in the coming days

### **Income Tax Returns**

- Taxpayers will **not** have to file their returns this year until June 1
- Tax payments will be deferred until after August 31

### **Enhanced Canada Child Benefit**

- Increase the maximum annual Canada Child Benefit (CCB) payment amounts, only for the 2019-2020 benefit year, by \$300 per child

### **Increased GST Credit**

- Provide additional assistance to individuals and families with low and modest incomes with a special top-up payment under the GST Credit Program

On average, the increase will be \$400 for single individuals and \$600 for couples, beginning in May

#### **Improved Access of Employment Insurance**

- For a minimum of six-months, waive the mandatory one-week waiting period of Employment Insurance (EI) benefits for workers who have either an imposed quarantine or who are self-isolating

No medical certificate will be required

#### **Deferred Mortgage Payments**

- Mortgage insurers will permit lenders to allow payment deferral effective immediately

#### **Registered Retirement Income Funds**

- Previously calculated minimum withdrawals from Registered Retirement Income Funds (RRIFs) for 2020 have been reduced by 20%

#### **Canada Student Loan Payment Extension**

- There will be a six-month interest-free moratorium on Canada Student Loan payments