

COVID-19 GOVERNMENT PROGRAMS

INDIVIDUALS

Canada Emergency Response Benefit

Applications available starting April 6, 2020 via CRA MyAccount

Will provide a taxable benefit of \$2,000 a month for up to 4 months to [eligible workers](#) who have lost their income due to COVID-19.

To be eligible to receive the Canada Emergency Response Benefit (CERB) from Service Canada, the following must apply:

- You must reside in Canada
- You are 15 years of age or older at the time of application
- You have stopped or will stop working for reasons related to covid-19, or because you are unable to work due to illness, or because you lost your employment for other reasons beyond your control; and
 - If you are submitting for your first benefit period, that you have stopped or will stop working for at least 14 consecutive days within the 4 week benefit period; or
 - If you are filing for a subsequent benefit period, you did not receive any employment or self employment income for the period for which you previously claimed the benefit and do not expect to receive any employment or self employment income in the 4 week benefit period
- You have not quit your job voluntarily
- You are not receiving nor have you applied for the CERB from the Canada Revenue Agency nor are you receiving Employment Insurance benefits for the same benefit period
- You have earned a minimum of \$5,000 in income within the last 12 months or in the 2019 calendar year from one or more of the following sources:
 - Employment income
 - Self-employment income

The Canada Emergency Response Benefit is available to those who stop working for reasons related to COVID-19 or are eligible for Employment Insurance regular or sickness benefits. Examples of stopping to work could include but are not limited to:

- You have been let go from your job or your hours have been reduced to zero;
- You are in quarantine or sick due to COVID-19;
- You away from work to take care of others because they are in quarantine, sick due to COVID-19; and/or
- You are away from work to take care of children or other dependents whose care facility is closed due to COVID-19.

Benefits will start within 10 days of you submitting an application. There is no waiting period.

Payments will be made through direct deposit or by cheque. You will be paid more quickly if you choose direct deposit. Your payments will be retroactive to your eligibility date.

OTHER

The deadline for filing your 2019 personal tax return is now June 1, 2020 (June 15, 2020 for self-employed individuals). The government has also extended the payment of personal taxes until September 1, 2020. The government does ask that if you are able to make your personal tax payments, then these payments should be made. The deferral to September 1 is for those taxpayers who are in financial difficulty.

BUSINESSES

Wage Subsidy

Up to 75% wage subsidy for qualifying businesses, for up to 3 months, retroactive to March 15, 2020 on the first \$58,700 worth of salary per employee. That means the maximum amount of subsidy would translate to \$847 per week per employee. This will help businesses to keep and return workers to the payroll.

Employers will need to attest that they are doing everything they can to pay the remaining 25% of wages, but whether they actually do will be up to the business.

Businesses will need to prove that they have had at least a 30% decline in revenue due to the coronavirus. Businesses will need to provide year-over-year earnings comparisons (or month-to-month for those operating less than a year with their applications).

The government has said that this program will be up and running sometime in the next 3-6 weeks, but no formal date is yet set.

Business Credit Availability Program

BDC and EDC are working with private sector lenders to coordinate on credit solutions for individual businesses, including in sectors such as oil and gas, air transportation, exportation and tourism.

This program includes:

Canada Emergency Business Account

The new Canada Emergency Business Account will provide interest-free loans of up to \$40,000 to small businesses and not-for-profits, to help cover their operating costs during a period where their revenues have been temporarily reduced.

To qualify, these organizations will need to demonstrate they paid between \$50,000 to \$1 million in total payroll in 2019.

Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25 percent (up to \$10,000).

Loan Guarantee for Small and Medium-Sized Enterprises

EDC is working with financial institutions to issue new operating credit and cash flow term loans of up to \$6.25 million to SMEs.

Co-Lending Program for Small and Medium-Sized Enterprises

BDC is working with financial institutions to co-lend term loans to SMEs for their operational cash flow requirements.

Eligible businesses may obtain incremental credit amounts of up to \$6.25 million through the program.

These programs will roll out in the **three weeks after March 27**, and interested businesses **should work with their current financial institutions**.

FARMERS

Increasing credit available

We are supporting Farm Credit Canada by allowing an additional \$5 billion in lending capacity to producers, agribusinesses, and food processors. This will offer increased flexibility to farmers who face cashflow issues and to processors who are impacted by lost sales, helping them remain financially strong during this difficult time.

OTHER

Corporate taxes

The government is allowing all businesses to defer, until August 31, 2020, the payment of any income tax amounts that become owing on or after March 18 and before September 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.

GST

The government will allow businesses, including self-employed individuals, to defer until June 30, 2020 payments of the Goods and Services Tax / Harmonized Sales Tax (GST/HST), as well as customs duties owing on their imports.

The deferral will apply to GST/HST remittances for the February, March and April 2020 reporting periods for monthly filers; the January 1, 2020 through March 31, 2020 reporting period for quarterly filers; and for annual filers, the amounts collected and owing for their previous fiscal year and instalments of GST/HST in respect of the filer's current fiscal year.

For GST and customs duty payments for imported goods, deferral will include amounts owing for March, April and May.