

Guidelines for Canadian Employers

Have you experienced at least a 30% decline in revenues compared to last year?

YES – You may be eligible for a 75% wage subsidy:

- Subsidy is 75% of the first \$57,800 of annualized wages per employee
- Eligibility period of 12 weeks, retroactive to March 15 through to June 6, 2020
- Decline of revenues determined on a month-by-month basis for March, April and May compared to the same month last year
- Maximum subsidy of \$847/week per employee for a three-month period
- Includes all corporations, partnerships, charities and non-profit organizations
- Claimed each month through a portal – funding expected to be available within 6 weeks
- No restrictions due to taxable capital of associated corporations
- No maximum subsidy amount per employer

NO – You may be eligible for a 10% wage subsidy:

- Subsidy is 10% of employee wages
- Eligibility period of 3 months, March 18 to June 19, 2020
- No test for reduction in revenues
- Maximum subsidy of \$1,375 per employee
- Maximum subsidy of \$25,000 per employer
- Claimed through a remittance of federal/provincial taxes (not CPP/EI), if negative, must carry forward
- Includes Canadian controlled private corporations, partnerships, charities and non-profit organizations
- Taxable capital of associated corporations must be less than \$15 million

Canada Emergency Wage Subsidy Website

<https://www.canada.ca/en/departement-finance/news/2020/04/the-canada-emergency-wage-subsidy.html>

Additional Financial Assistance for Businesses

GST/HST Remittance Deferral

Payment of GST/HST deferred to June 30, 2020 for the following:

- Monthly filers – February, March and April 2020 HST amounts payable
- Quarterly filers – January through March 2020 HST amounts payable
- Annual filers – 2019 amounts owing and instalments required for 2020

- No interest and penalties on these amounts during the deferral period
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WSIB

- Can defer remitting premiums for the period starting March 25, 2020 and ending August 31, 2020, with no penalty or interest
 - Interest on outstanding premium payments will also cease to accrue
 - All employers covered by the WSIB workplace insurance are automatically eligible for the relief
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Employer Health Tax (EHT)

- Retroactive to January 1, 2020, the exemption will increase to \$1 million
 - Any instalments already paid on the basis of the \$490,000 exemption will be credited
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Workshare

- Employees can apply for EI and continue to work in a reduced capacity
 - There must be a 10% to 60% reduction in work and the benefits under this program could be provided for up to 76 weeks
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Small Business Loans

- Interest free for one year
- Maximum of \$40,000 with up to \$10,000 forgiven if repaid by December 31, 2022
- Must have payroll between \$50,000 to \$1 million in the prior year
- It's a \$40,000 government-guaranteed loan to help eligible businesses pay for operating expenses, payroll and other non-deferrable expenses which are critical to sustain business continuity.
- Until December 31, 2020, the **Canada Emergency Business Account will be funded as a revolving line of credit for \$40,000.**
- After December 31, 2020, any outstanding balance on the revolving \$40,000 line of credit will be converted into a non-revolving 5-year term loan maturing on December 31, 2025, at which time the balance must be paid in full.
- No interest applies until January 1, 2023.

- Commencing on January 1, 2023, interest accrues on the balance of the term loan at the rate of 5% per annum, payable monthly on the last day of each month.
- If you pay 75% of the balance of the term loan (as at January 1, 2021), on or before December 31, 2022, the remaining balance of your term loan will be forgiven. For example, if your balance is \$40,000 on January 1, 2021 and you repay \$30,000 on or before December 31, 2022, the remaining \$10,000 will be forgiven.
- If you do not repay 75% of the balance of the term loan (as at January 1, 2021) on or before December 31, 2022, the full loan balance and all accrued and unpaid interest will be due and payable on December 31, 2025.

Canada Emergency Business Account Website

<https://www.cibc.com/en/business/covid-19/emergency-business-account-faq.html>

Corporate Tax Payments & Instalments

- Corporate tax payments and instalments due after March 18, 2020 can be put on hold until September 1, 2020

Guidelines for Employees

If you have lost your job or been laid off due to COVID-19, you have options:

Canada Emergency Response Benefit (CERB)

- The CERB provides \$2,000 a month for up to four months directly to workers who lose their income as a result of COVID-19.
- The portal for accessing the CERB will be available the week of April 6, 2020. Canadians will begin to receive their CERB payments within 10 days of application. The CERB will be paid every four weeks and covers the period of March 15, 2020 until October 3, 2020.

Canada Emergency Response Benefit

<https://www.canada.ca/en/services/benefits/ei/cerb-application.html>

Are You Eligible?

The CERB will cover Canadians who:

- Have lost their job
- Are sick, quarantined, or taking care of someone who is sick with COVID-19
- Are working parents who must stay home without pay to care for children who are sick or at home because of school and daycare closures

The CERB applies to wage earners, contract workers and those who are self-employed. Workers who are still employed but are not receiving income because of disruptions to their work as a result of COVID-19, will also qualify for the CERB.

Employment Insurance (EI) & CERB

All Canadians who have stopped working due to COVID-19, whether they are eligible for EI or not, will be able to receive the CERB.

Those already regularly receiving EI and/or Sickness Benefits will continue to receive their benefits and should not apply for the CERB. If their EI benefits end before October 3, 2020, they could apply for the CERB if they are unable to return to work due to COVID-19.

Canadians who have already applied for EI and whose application has not yet been processed will not need to reapply. Those who are eligible for EI and Sickness Benefits will be able to access their normal benefits, if still unemployed, after the 16-week period covered by the CERB.

COVID-19 Benefits, Credit & Support Payments

<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-benefits-credits-support-payments.html>