



**MECHANICAL CONTRACTORS  
ASSOCIATION OF ALBERTA**

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**For Employer's- Quick Tips Brought to you by our friendly HR advisor Adam C.**

### *Government Information on Employment Changes and Tax Update*

#### **TEMPORARY WAGE SUBSIDY FOR SMALL BUSINESSES (NOT GWKW)**

- Small businesses would receive a 3-month subsidy consisting of 10% of remuneration paid (Max \$1,375/employee and \$25,000/employer).
- Businesses would be able to reduce their remittances of income tax withheld on their employees' remuneration.
- This measure applies to corporations eligible for the small business deduction, as well as non-profit organizations.

#### **EI SICKNESS BENEFITS**

In general, EI sickness benefit provides 15 weeks of income replacement to eligible claimants who are not able to work due to sickness, injury or quarantine. This includes Canadians quarantined because of COVID-19. Some details:

- One-week waiting period for EI sickness is waived for **new claimants who are quarantined effective March 15, 2020.**
- Waive requirement to provide medical certificate to access the benefit.
- Provide priority EI application processing for EI sickness claims for people under quarantine.
- New toll-free line established in order to received inquiries on this matter.

#### **EMERGENCY CARE BENEFIT**

- Workers who need to stay home because of COVID-19, but are not eligible for EI, may qualify for a new Emergency Care Benefit, which provides up to \$900 every two weeks up to 15 weeks.
- This benefit is available for individuals, including self-employed, who are ill with COVID-19, quarantined, or caring for an ill family member.
- The benefit will also apply to parents with children who require supervision due to school closures, and are unable to earn employment income.
- Eligible individuals may apply **online or by phone with CRA starting April 2020.**
- Medical certificates will not be needed but applicants will have to re-attest eligibility every two weeks.

## **WORK SHARING PROGRAM**

Employers who are directly or indirectly affected by a downturn due to COVID-19 may also benefit from this temporary change. This program provides income support to employees eligible for EI benefits who work a temporarily reduced work week while employer recovers. Details as of March 11, 2020:

- Extend work-sharing agreements to 76 weeks (from 38 weeks)
- Waive mandatory waiting period between agreements
- Ease the recovery plan requirements

## **SUPPLEMENTAL UNEMPLOYMENT BENEFITS**

Employers may also consider the existing Supplemental Unemployment Benefit plan to increase employees' weekly earnings when they are unemployed due to temporary stoppage of work, training, illness, injury or quarantine. Payments from SUB plans that are registered with Service Canada are not considered earnings and are not deducted from EI benefits.

## **REGISTERED RETIREMENT INCOME FUNDS (RRIFs)**

- The minimum withdrawal is reduced by 25% for 2020 in recognition of the volatile market conditions and their impact on many seniors' retirement savings.
- Similar rules would apply to individuals receiving variable benefit payments under a defined contribution Registered Pension Plan.

## **TAX FILING DEADLINES & OTHER TAX NEWS**

Individuals: postponement for personal income tax filing to June 1, 2020 (instead of April 30, 2020). No changes for self-employed individuals.

- Income tax amounts owing: CRA will allow deferring payments until September 1, 2020 for amounts that become owing on or after March 18, 2020. This relief would apply to tax balances due as well as instalments under Part I of the ITA. No interest or penalties would accumulate during this period. Alberta has not made such announcements to date.
- CRA will not contact any small or medium businesses to initiate any post assessment GST/HST or Income tax audits for the next four weeks. CRA will temporarily interrupt audit interaction with tax payers.
- The federal government will temporarily accept electronic signatures for tax payers signing forms T183