April 14th, 2020

**Canada’s COVID-19 Economic Response Plan Overview**

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Prepared for the Centre Wellington Chamber of Commerce

The following document provides an overview of the announced programs that are part of the Government of Canada’s COVID-19 Economic Response Plan as of April 14th, 2020.

The overview follows the same format found on the Response Plan’s webpage:

* Support for Individuals
* Support for Businesses
* Support for Industries

Not all announced programs are included in this document.Information on all programs for individuals, businesses and industries can be found on the government’s COVID-19Economic Response Plan webpage: [canada.ca/en/department-finance/economic-response-plan.html](https://www.canada.ca/en/department-finance/economic-response-plan.html)

**Support for Individuals**

1. **Canada Child Benefit**

* The government is providing up to an extra $300 per child through the Canada Child Benefit (CCB) for 2019-20. This will mean approximately $550 more for the average family. This benefit will be delivered as part of the scheduled CCB payment in May.
* You can apply to the Canada Child Benefit through birth registration, online through your Canada Revenue Agency (CRA) ‘My Account’ (<https://www.canada.ca/en/revenue-agency.html>) or by mail. **Those who already receive the CCB do not need to re-apply.**

1. **Special Goods and Services Tax credit payment**

* The government is providing a one-time special payment starting April 9th through the Goods and Services Tax credit for low- and modest-income families. The average additional benefit will be close to $400 for single individuals and $600 for couples.
* There is no need to apply for this payment. If you are eligible, you will get it automatically.

1. **Extra time to file income tax returns (Individuals)**

* The filing due date for 2019 income tax returns for individuals has been deferred until June 1st, 2020. Any new income tax balances due, or instalments, are also being deferred until August 31st, 2020 without incurring interest or penalties.
* If you expect to receive benefits under the GST credit or Canada Child Benefit, it is encouraged that you do not delay filing your 2019 income tax return to ensure that your entitlements are properly determined.
* For more information on tax deferrals and for all payment dates, visit: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-filing-payment-dates.html>

1. **Mortgage Support**

* Canadian banks have committed to work with their customers on a case-by-case basis to find solutions to help them manage hardships caused by COVID-19. This includes permitting lenders to defer up to six monthly mortgage payments (interest and principal) for impacted borrowers. Canadians who are impacted by COVID-19 and experiencing financial hardship as a result should contact their financial institution regarding flexibility for a mortgage deferral.
* The Canada Mortgage and Housing Corporation and other mortgage insurers offer tools to lenders that can assist homeowners who may be experiencing financial difficulty. These include payment deferral, loan re-amortization, capitalization of outstanding interest arrears and other eligible expenses, and special payment arrangements.
* Visit your financial institutions’ website for the latest information.

1. **Canada Emergency Response Benefit (CERB)**

* The government is providing 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. Those who do not qualify for Employment Insurance should be able to access the CERB. Do not apply for the CERB if you have already applied for EI.
* There are two ways to apply:
  + Online by visiting <https://www.canada.ca/en/services/benefits/ei/cerb-application.html>;
  + By calling (800) 959 2019 or (800) 959 2041.

1. **Employment Insurance (EI)**

* Enhancements have been made to EI for the COVID-19 pandemic, including:
  + Waiving the one-week waiting period for sickness benefits for those told to quarantine or self-isolate;
  + Waiving the requirement to provide a medical certificate to access EI sickness benefits; and
  + Providing enhanced EI benefits for eligible workers who agree to reduce their normal working hours as a result of the impact of COVID-19.
* Starting now, there will be a single portal to assist you with the application process. Visit the government’s EI website for more information: <https://www.canada.ca/en/services/benefits/ei.html>

1. **Reduced minimum withdrawals for Registered Retirement Income Funds (RRIFs)**

* The government has reduced the required minimum withdrawals from Registered Retirement Income Funds (RRIFs) by 25 per cent for 2020.
* For more information, visit: <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/registered-retirement-income-fund-rrif.html>

1. **Suspend repayment and interest on Canada Student Loans and Canada Apprentice Loans**

* All student loan borrowers will automatically have their loan repayments and interest suspended until September 30th, 2020.
* Students do not need to apply for the repayment pause.
* This moratorium applies to the federal portion of student loans. Borrowers should check with their provincial or territorial student loan provider to see if payment is required on the provincial or territorial portion.

**Support for Businesses**

1. **Canada Emergency Wage Subsidy**

* The Canada Emergency Wage Subsidy (CEWS) will cover 75 per cent of an employee’s wages – up to $847 per week – for up to 3 months, retroactive to March 15th, 2020.
* Employers of all sizes and across all sectors who have suffered a drop in gross revenues of at least 15% in March, and 30% in April and May will be eligible to apply, with the exception of public sector entities.
* Charities and NGOs can choose whether to include or exclude government subsidies when calculating their loss of revenue.
* Employers eligible for the CEWS are entitled to receive a 100 per cent refund for certain employer contributions to Employment Insurance, the Canada Pension Plan, the Quebec Pension Plan, and the Quebec Parental Insurance Plan paid in respect of employees who are on leave with pay.
* For employers that are eligible for both the CEWS and the Temporary 10% Wage Subsidy for a period, any benefit from the Temporary 10% Wage Subsidy for remuneration paid in a specific period will generally reduce the amount available to be claimed under the CEWS in that same period.
* Eligible employers can apply for the CEWS through the CRA's *My Business Account* portal: <https://www.canada.ca/en/revenue-agency/services/e-services/e-services-businesses/business-account.html>
* For more information on CEWS, visit: <https://www.canada.ca/en/department-finance/economic-response-plan/wage-subsidy.html>

1. **Temporary 10% Wage Subsidy**

* This three-month measure will allow eligible employers to reduce the amount of payroll deduction required to be remitted to the CRA.
* You are an eligible employer if you:
  + Are a(n):
    - individual (excluding trusts),
    - partnership,
    - non-profit organization,
    - registered charity, or
    - Canadian-controlled private corporation (including a cooperative corporation) eligible for the small business deduction;
  + have an existing business number and payroll program account with the CRA on March 18, 2020; and
  + pay salary, wages, bonuses, or other remuneration to an eligible employee.
* Partnerships are only eligible for the subsidy if their members consist exclusively of individuals (excluding trusts), registered charities, or Canadian-controlled private corporations eligible for the small business deduction.
* You do not need to apply for the subsidy. You will continue deducting income tax, Canada Pension Plan (CPP) contributions, and Employment Insurance (EI) premiums from salary, wages, bonuses, or other remuneration paid to your employees, as you currently do. The subsidy is calculated when you remit these amounts to the CRA.
* To learn more, visit: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>

1. **Extending the Work-Sharing Program**

* The government is extending the maximum duration of the Work-Sharing program from 38 weeks to 76 weeks for employers affected by COVID-19. This measure will provide income support to employees eligible for Employment Insurance who agree to reduce their normal working hours because of developments beyond the control of their employers.
* Employers are now requested to submit their applications 10 calendar days prior to the requested start date. The streamlined measures undertaken by Service Canada will aim to reduce the processing time to 10 calendar days.
* Prior to COVID-19, employers were requested to send their Work-Sharing application (and supporting documentation) 30 calendar days prior to their requested start date. To apply for the Work-Sharing program, employers must submit:
  + Applications for a Work-Sharing Agreement form (EMP5100)
  + Attachment A: Work-Sharing Unit form (EMP5101)
* For more information, visit Employment and Social Development Canada’s Work-Sharing webpage: <https://www.canada.ca/en/employment-social-development/services/work-sharing.html> or call (800) 367-5693

1. **Covering wages for students hired under the Canada Summer Jobs Program**

* The federal government is making temporary changes to the Canada Summer Jobs program to allow employers to:
  + receive an increased wage subsidy, so that private and public sector employers can also receive up to 100 per cent of the provincial or territorial minimum hourly wage for each employee;
  + extend the end date for employment to February 28, 2021;
  + adapt their projects and job activities;
  + hire staff on a part-time basis.
* For more information on these changes to the Canada Summer Jobs program, visit Employment and Social Development’s website: <https://www.canada.ca/en/employment-social-development/services/funding/canada-summer-jobs.html>

1. **Extra time to file income tax returns (Businesses)**

* The government is allowing all businesses to defer, until after August 31st, 2020, the payment of any income tax amounts that become owing on or after March 18th 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.
* For more information on tax deferrals and for all payment dates, visit: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-filing-payment-dates.html>

1. **Deferral of Sales Tax Remittance and Customs Duty Payments Until June**

* The government is allowing businesses, including self-employed individuals, to defer until June 30th, 2020 payments of the GST/HST, as well as customs duty owing on their imports.
* Any GST/HST payment that becomes owing from March 27th until the end of May can be deferred until the end of June. For GST and customs duty payments for imported goods, the deferral will include amounts owing for March, April and May.
* These amounts were normally due to be submitted to the CRA and the Canada Border Services Agency as early as the end of March 2020.
* For more information visit: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-gst-hst.html>

1. **Establishing a Business Credit Availability Program**

* The government has established a Business Credit Availably Program (BCAP) to provide $65 billion of additional support through the Business Development Bank of Canada (BDC) and Export Development Canada (EDC).
* This program includes:
  + ***Loan Guarantee for Small and Medium-Sized Enterprises (SMEs):***EDC is working with financial institutions to issue new operating credit and cash flow term loans of up to $6.25 million to SMEs; and
  + ***Co-Lending Program for SMEs:*** BDC is working with financial institutions to co-lend term loans to SMEs for their operational cash flow requirements.
* All BCAP programs will roll out in mid-April. If you are interested in exploring financing opportunities for your business through the BCAP, contact your financial institution directly and it will contact BDC and EDC where appropriate.

1. **Canada Emergency Business Account**

* Qualifying small businesses and not-for-profits can receive interest-free loans of up to $40,000 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
* If the loan is repaid by December 31, 2022, 25 per cent (up to $10,000) will be forgiven; if the loan is not repaid by December 31, 2022, the remaining balance will be converted to a three-year term loan at 5 per cent interest.
* To apply to the Emergency Business Account, contact your financial institution.

1. **Launching an Insured Mortgage Purchase Program**

* The government has launched an Insured Mortgage Purchase Program, which will purchase up to $150 billion of insured mortgage pools through the Canada Mortgage and Housing Corporation (CMHC).
* This action will provide long-term stable funding to banks and mortgage lenders, help facilitate continued lending to Canadian consumers and businesses, and add liquidity to Canada’s mortgage market.
* To learn more, visit the CMHC’s website: <https://www.cmhc-schl.gc.ca/>

**Support for Industries**

1. **Increasing Credit available for agriculture, fisheries and aquaculture**

* The government has enabled Farm Credit Canada (FCC) to provide an additional $5 billion in lending to producers, agribusinesses, and food processors. This will offer increased flexibility to farmers facing cashflow issues and to processors impacted by lost sales.
* Effective immediately, FCC has put in place:
  + A deferral of principal and interest payments up to six months for existing loans; or
  + A deferral of principal payments up to 12 months.
* FCC customers facing financial pressure are encouraged to contact their FCC relationship manager or the FCC Customer Service Centre at (888) 332 3301 to discuss their individual situation and options.
* FCC’s website: <https://www.fcc-fac.ca/en.html>

**General Advice on COVID-19**

During this coronavirus emergency, it is important to keep calm, help your fellow citizens, and follow the advice of local, provincial and federal governments. They are all working hard to ensure the safety and security of Canadians.

If you have questions about the coronavirus, you can call the federal government at (833) 784-4397 or visit: [www.canada.ca/coronavirus](http://www.canada.ca/coronavirus)

You can also visit the provincial government’s coronavirus webpage at: [www.ontario.ca/page/2019-novel-coronavirus](https://www.ontario.ca/page/2019-novel-coronavirus#_blank)

As your Member of Parliament, Michael will continue to closely monitor the situation and will continue to work closely with MPP Ted Arnott, municipal leaders and your Chamber.

Our offices remain open and staffed to assist constituents during the COVID-19 pandemic but are closed to public access. To obtain assistance, please contact us by phone, e-mail or on our Facebook and Twitter accounts. As always, you can call Michael at (866) 878-5556.

For more information, visit MP Michael Chong’s website: <https://michaelchong.ca/>