

---

**FROM:** Stephen Clark  
Chief Financial Officer

**DATE:** April 8, 2020

**RE:** **COVID-19 Information – Government Programs**

---

In our war against COVID-19 we also find ourselves in a war to stave off an economic depression. The economic impact of sharp unemployment and the closures of most businesses is unprecedented and enormous. The Bank of Canada has cut interest rates to near zero – a monetary response that has resulted in lower interest rates on credit cards and lines of credit.

In addition, both Federal and Provincial governments have announced various multi-billion-dollar COVID-19 Economic Response Programs. The Federal government's initial plan is valued at \$82 billion. That equates to \$2,164 per resident or \$5,518 per average household.

#### **FEDERAL PROGRAMS**

On 18 March 2020, the Federal government announced its \$82 billion Economic Response Plan: Support for Canadians and Businesses. The plan outlines a new set of economic measures, including \$55 billion in tax flexibility measures and \$27 billion in direct support to Canadian workers and businesses affected by the current situation. The measures include:

**Increasing the Canada Child Benefit – no need to apply.** Providing an extra \$300 per child through the existing program, this benefit will be delivered as part of the scheduled CCB payment in May.

**Special Goods and Services Tax credit payment – no need to apply.** Providing a one-time special payment by early April through the scheduled Goods and Services Tax credit (if eligible). The average additional benefit will be close to \$400 for single individuals and close to \$600 for couples.

**Extra time to file income tax returns** – If you have a tax bill from 2019, you may delay filing your return until June 1, 2020. Tax bills can now be deferred until after August 31, 2020 without incurring interest or penalties.

**TAX TIP:** *If your 2019 income is lower than 2018, you may still want to file your return to ensure you get your proper entitlement to the Special GST credit and Child Benefit payments in May.*

**Canada Emergency Response Benefit (CERB) – need to apply –**  
<https://www.canada.ca/en/services/benefits/ei/cerb-application.html>

A catch all program providing a taxable benefit of \$2,000 a month for up to 4 months to:

- workers who must stop working due to COVID19 and do not have access to paid leave or other income support
- workers who are sick, quarantined, or taking care of someone who is sick with COVID-19
- working parents who must stay home without pay to care for children that are sick or need additional care because of school and daycare closures
- workers who still have their employment but are not being paid because there is currently not sufficient work and their employer has asked them not to come to work
- wage earners and self-employed individuals, including contract workers, who would not otherwise be eligible for Employment Insurance

The Canada Emergency Response Benefit will be accessible through a secure web portal:  
<https://www.canada.ca/en/services/benefits/ei/cerb-application.html>

Apply online or by phone. To help manage this, the Government of Canada has set up specific days for you to apply. Please use the following guidelines:

Days to apply for the Canada Emergency Response Benefit

## CANADA EMERGENCY RESPONSE BENEFIT

<b>If you were born in the month of</b>	January February March	April May June	July August September	October November December	Any month
<b>Apply for CERB on</b>	Mondays	Tuesdays	Wednesdays	Thursdays	Friday Saturday Sundays
<b>Your best day to apply</b>	April 6	April 7	April 8	April 9	

Canada

**Employment Insurance** – need to apply at

<https://srv270.hrdc-drhc.gc.ca/aw/Introduction?GoCTemplateCulture=en-CA> – the application website is currently receiving a high number of EI applications and at a virtual standstill. Providing up to a maximum of \$573 per week to those that have lost their job or can't work because they have COVID-19 or have to look after someone with COVID-19. Employment Insurance sickness benefits provide up to 15 weeks of benefits. For those individuals, the one-week waiting period is waived. For other individuals that have lost their job, because of low oil prices for example, the one-week waiting period is not being waved and the system is backlogged.

**A moratorium on the repayment of Canada Student Loans – no need to apply.** Effective March 30, there is a six-month interest-free moratorium on the repayment of Canada Student Loans for all student loan borrowers. No payment will be required and interest will not accrue during this time.

**Temporary wage subsidy for all businesses** - A new temporary wage subsidy has been created to help prevent layoffs. This subsidy is available immediately and retroactive to March 15, 2020. Initially only available to companies eligible for the small business deduction, such as owner operators, the government announced it would apply to all businesses that have seen a 15%+ drop in revenue due to the coronavirus. The revenue base is determined by the change in the monthly revenue, year-over-year, for the calendar month in which the period or on a sequential basis.

The table below outlines each claiming period and the period in which it has a decline in revenue of 30 per cent or more.

Eligible Period	Reference Period
March 15 to April 11, 2020	March 2019 vs. March 2020
April 12 to May 9, 2020	April 2019 vs. April 2020
May 10 to June 6, 2020	May 2019 vs. April 2020

For eligible employers established after February 2019, eligibility would be determined by comparing monthly revenue to a reasonable benchmark.

The subsidy equates to 75% of remuneration paid during that period to a maximum of 75 per cent of your salary on the first \$58,700 that you earn or up to \$847 a week. More details on eligibility can be found at <https://www.canada.ca/en/department-finance/economic-response-plan/wage-subsidy.html> Owner operators that pay themselves a regular wage are likely to qualify.

**Canada Work-Sharing Program – need to apply.** The Work-Sharing Program has been in place to help employers and employees avoid layoffs when there is a temporary reduction in business activity that is beyond the employer's control. The measure provides income support to employees eligible for EI benefits who are required to reduce their work week. Temporary changes to the Work-Sharing Program were put in place and are effective from 15 March 2020 to 14 March 2021. These measures apply to employers affected by the current situation (as well as those employers affected by the downturn in the forestry, steel and aluminum sectors) and include the extension of the duration of work-sharing agreements. Previously, these agreements could span 38 weeks, but that limit has now been extended to 76 weeks. The waiting period between agreements has also been waived.

**Establishing a Business Credit Availability Program - businesses in need of credit support should contact their financial institution.** The Government of Canada has established a Business Credit Availability Program (BCAP) to provide more than \$65 billion of additional support, largely targeted to small and medium-sized businesses, through the Business Development Bank of Canada (BDC) and Export Development Canada (EDC). BDC and EDC are cooperating with private sector lenders to coordinate on credit solutions for individual businesses, including in sectors such as oil and gas, air transportation and tourism. **TIP: Any owner operators impacted by the economic slowdown are encouraged to work with their lenders for payment deferrals. Typically, deferred payments are added to the outstanding principal balance and subsequently repaid throughout the life of the loan.**

**The New Canada Emergency Business Account - details on accessing this program will be available soon.** The Government of Canada is launching the new Canada Emergency Business Account - a new loan program, that will be implemented rapidly by eligible financial institutions in cooperation with Export Development Canada. This \$25 billion program will provide interest-free loans of up to \$40,000 to small businesses, such as owner operators, to help cover their operating costs during a period where their revenue 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 per cent (up to \$10,000). **TIP: Stay tuned - Owner operators impacted by the economic slowdown may be eligible.**

**Corporate tax deferrals – no need to apply.** Allows all businesses to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after March 18 and before September 2020. No interest or penalties will accumulate on these amounts during this period.

**GST/HST deferrals – no need to apply.** This program 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. These amounts were normally due to be submitted to the Canada Revenue Agency and the Canada Border Services Agency as early as the end of this month are now due June 30, 2020. **TIP: For Owner Operators, revenue is typically zero-rated and therefore typically claim Input Tax Credits. Filing in normal course makes sense.**

**Others:** Stay tuned for new announcements as they arise.

## PROVINCIAL INITIATIVES

### British Columbia:

**B.C. Emergency Benefit for Workers - applications for the one-time payment will open soon.** Will provide a one-time \$1,000 payment to people who lost income because of COVID-19. B.C. residents who receive federal Employment Insurance, or the new federal Canada Emergency Response Benefit are eligible.

**Climate Action Tax Credit – no need to apply.** The one-time enhancement to the climate action tax credit will be paid in July 2020 for moderate to low-income families.

- An adult will receive up to \$218.00 (increased from \$43.50).
- A child will receive \$64.00 (increased from \$12.75).

**Renters, Homeowners and People Experiencing Homelessness – Application details to be provided soon at <https://www.bchousing.org/COVID-19>.** Funding for housing supports are increased to ensure people can maintain their housing in the event of job or income loss. The temporary rent supplement will provide up to \$500 per month and will be available to low to- moderate-income renters who are facing financial hardship as a result of the COVID-19 crisis, but do not qualify for existing rental assistance programs. The supplement will be paid directly to landlords. BC Housing has temporarily suspended evictions of tenants in subsidized and affordable housing due to non-payment of rent

**B.C. Student Loans – no need to apply.** Starting March 30, 2020, B.C. student loan payments are automatically frozen for six months.

**BC Hydro –** Customers can defer bill payments or arrange for flexible payment plans with no penalty through the COVID-19 Customer Assistance Program:

[https://www.bchydro.com/news/press\\_centre/news\\_releases/2020/bill-relief-covid-19.html](https://www.bchydro.com/news/press_centre/news_releases/2020/bill-relief-covid-19.html)

Customers experiencing job loss, illness or lost wages due to COVID-19 can access grants up to \$600 to pay their hydro bills through the Customer Crisis Fund (<https://app.bchydro.com/accounts-billing/bill-payment/ways-to-pay/customer-crisis-fund.html>)

**ICBC –** Customers on a monthly payment plan who are facing financial challenges due to COVID-19 may defer their payment for up to 90 days with no penalty <https://www.icbc.com/about-icbc/contact-us/Pages/covid-19.aspx>

**Tax Relief for Businesses –** The following provincial taxes have been deferred, delayed or reduced:

- Deferred Tax Payments for Businesses
- Delayed PST Budget 2020 Tax Changes
- Delayed Carbon Tax Increase
- Reduced School Tax for Businesses

### Alberta:

#### **Emergency isolation support – program now closed**

**Utility payment deferral –** Residential customers can defer electricity and natural gas bill payments for the next 90 days to ensure no one will be cut off, regardless of the service provider. This program is available to Albertans who are experiencing financial hardship as a direct result of COVID-19. For example, those who have lost their employment or had to leave work to take care of an ill family member. Call your utility provider directly to arrange for a 90-day deferral on all payments. Customers usually have 30 days from the end of the last billing period in which to pay their utility bills. In response to the COVID-19 pandemic, utility companies are required to defer this deadline by 90 days.

**Student loans repayment deferral – no need to apply.** A six-month, interest free moratorium on Alberta student loan payments for all Albertans in the process of repaying these loans. Alberta Student Loan repayments will be paused for 6 months, beginning March 30, 2020. Interest will not accrue during this period.

**ATB Financial customers – contact your local branch.** Personal banking customers can apply for a deferral on their ATB loans, lines of credit and mortgages for up to 6 months.

**Education property tax freeze** – Residential education property tax rates will be frozen at last year's level – reversing the 3.4% population and inflation increase added in Budget 2020.

### Saskatchewan:

**Self-Isolation Support Program – apply at <https://isolationsupport.powerappsportals.com/SISP/>**

This program offers financial assistance for Saskatchewan workers who were/are in self-isolation to counter the spread of the COVID-19 virus, and who cannot earn all of their work income and who are not eligible for another financial assistance program prior to the Canada Emergency Response Benefit, which comes into effect in April 2020. This program will provide \$450 per week, for a maximum of two weeks or \$900.

To be eligible, residents of Saskatchewan must meet these criteria:

- They have contracted COVID-19 or are showing symptoms.
- They have been in contact with an individual infected with COVID-19.
- They have recently returned from international travel and have been required to self-isolate.

AND

- They are not eligible for compensation including sick leave, vacation leave from their employer.
- They do not have private insurance covering such disruptions.
- They are not covered by other programs such as federal employment insurance that has been updated.

**Student Loan Repayment Moratorium – no need to apply.** Effective March 30, 2020, a six-month student loan repayment moratorium has been put in place. No interest shall accrue during this period.

### Manitoba:

On April 3, 2020, Manitoba announced the Manitoba Protection Plan that focuses on payment deferrals. The province is providing the following protections for the next six months until October 1:

- instructing Manitoba Hydro, Centra Gas and Manitoba Public Insurance (MPI) to not charge interest or penalties in the event that Manitobans are unable to pay at this time
- instructing MPI to relax ordinary practices on policy renewals and collections
- instructing Manitoba Liquor and Lotteries not to charge interest on receivables from restaurants, bars and specialty wine stores
- supporting Workers Compensation Board (WCB) to do the same and asking WCB to extend relief from penalties for late payments
- directing Manitoba Hydro and Centra Gas to not disconnect customers during these times
- working with municipal partners to ensure municipalities do not charge interest on provincial education taxes and school division fees and the province is encouraging municipalities to do the same with respect to their own taxes and will start discussions to support implementation.

The government is also deferring provincial income tax and corporate income tax filing deadlines and payments to coincide with the current revised federal deferral of income tax to August 31 and has indicated it would be willing to extend these deferrals until October 1, should the federal government agree.

**Ontario:**

The Ontario government said March 25 that it will offer one-time payments to parents of children who are affected by school and daycare closures. These payments will be \$200 per child up to the age of 12, or \$250 if the child is considered to have special needs. Low-income seniors will also see increases in their usual payments from the province for six months, some families will be newly eligible to receive support paying hydro bills, and access to the Ontario Works income support program will be expanded as well. Business tax deferrals are also in the works. Details to follow.

Sincerely,

*"Signed – P Stephen Clark"*

Stephen Clark

**DISCLAIMER**

The matters outlined herein are for information purposes only. The matters and views expressed herein are those of Mullen Group and do not necessarily reflect the position of other agencies or organizations. Mullen Group makes no representations or warranties of any kind as to the content. By using any content in any way, whether or not authorized, the user assumes all risk and hereby releases Mullen Group from any liability associated with the content or use in respect of same.