

***The following represents our best knowledge that is available as of March 23, 2020. Please note the situation is changing every day and refer to the links referenced below.***

### **Federal Government Support**

On March 18, 2020 the Government of Canada announced its Economic Response Plan to the COVID-19 pandemic in order to help Canadian affected by the impacts. This plan provides support for business and workers. The following will summarize the measures outlined in the plan.

### **Tax Deferrals**

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

Individuals	<p>The deadline to file your 2019 income tax and benefit return will be deferred until June 1, 2020.</p> <p>The deadline to pay any balance due for your individual income tax and benefit return for 2019 has been extended from April 30, 2020, to September 1, 2020. This means you will not be assessed any penalties or interest if your balance due is paid by September 1, 2020. <b><u>Remember the return must still be filed by June 1, 2020.</u></b></p>
Self-employed and their spouse or common law partner	<p>For self-employed individuals or those who have spouses or common-law partners that are self-employed, the deadline to pay any balance due for your individual income tax and benefit return has been extended from April 30, 2020, to September 1, 2020. <b><u>The due date for these returns remains unchanged at June 15<sup>th</sup> 2020.</u></b></p>
Businesses	<p>The deadline for businesses to pay any income tax amounts that become owing or due after March 18, 2020 and before September 1, 2020 has been extended to September 1, 2020. This means you will not be assessed any penalties or interest if your balance due is paid by September 1, 2020. <b><u>This applies to federal and provincial corporate income taxes and installments only.</u></b></p>
Trusts	<p>For trusts with a taxation year end of December 31, 2019, the filing due date of March 31, 2020, will be deferred to May 1, 2020.</p> <p>Furthermore, all trusts that have an upcoming income tax balance due date or an income tax instalment payment due date before September 1, 2020, will have their payment due date effectively extended to September 1, 2020.</p> <p>Penalty and interest implications for upcoming trust tax obligations not covered by the relief described above will be considered by the CRA on a case-by-case basis.</p>
Charities	<p>The Charities Directorate is extending the filing deadline to December 31, 2020, for all charities with a Form T3010, Registered Charity Information Return due between March 18, 2020 and December 31, 2020.</p>

\*Note that any payments previously owed prior to these announcements will continue to incur interest and penalties.

## Support for Businesses

### 1. Employment Insurance - Record of Employment

If your employees are directly affected by the coronavirus (COVID-19) and they are no longer working, you must issue a Record of Employment (ROE).

When the employee is sick or quarantined, use code D (Illness or injury) as the reason for separation (block 16). Do not add comments.

When the employee is no longer working due to a shortage of work because the business has closed or decreased operations due to coronavirus (COVID-19), use code A (Shortage of work). Do not add comments.

If an employee is not working due to the above illness or injury or shortage of work, then the employer is not required to pay out any accrued vacation. Vacation pay would be paid out upon termination of the employee along with applicable termination pay as per your province's Employment Standard's Act.

When the employee refuses to come to work but is not sick or quarantined, use code E (Quit) or code N (Leave of absence), as appropriate. Avoid adding comments unless absolutely necessary.

In all cases, whether the employee is leaving voluntarily or involuntarily an ROE form is required for the employee to collect EI benefits.

For steps to register for ROE Web Online visit the following website:

<https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/ei-roe/register-roe.html>

### 2. Wage Subsidies

To support businesses that are facing revenue losses and to help prevent lay-offs, the government is proposing to provide eligible small employers a temporary wage subsidy for a period of three months from March 18, 2020 to June 20, 2020. The subsidy will be equal to 10% of remuneration paid during that period, up to a maximum subsidy of \$1,375 per employee and up to \$25,000 per employer. Each CRA registered payroll number (RP Account) is considered an employer. **The RP account had to be set up before March 18, 2020, so this doesn't qualify on new accounts set up after that date.**

Businesses will be able to benefit immediately from this support by reducing their payroll remittances to CRA against income tax withheld on their employees' remuneration. Employers eligible to benefit from this measure will include:

- non-profit organization, registered charity, or a Canadian-controlled private corporation (CCPC);
- 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 employee.

Only those employers listed above will qualify for the wage subsidies, partnership and non-CCPCs will not qualify.

The subsidy must be calculated manually and you cannot reduce your CPP or EI premiums. You can reduce your income tax remitted in the first remittance period that includes remuneration paid between March 18, 2020 and June 20, 2020.

Note that these subsidies are considered taxable income to the business.

For example, if you have 5 employees earning monthly salaries of \$4,100 for a total monthly payroll of \$20,500, the subsidy would be 10% of \$20,500, or \$2,050.

If the income taxes you deduct are not sufficient to offset the value of the subsidy in a specific period, you can reduce future remittances to benefit from the subsidy. This includes reducing remittances that may fall outside of the application period for the wage subsidy (after June 20, 2020).

For example: If you calculated a subsidy of \$2,050 on remuneration paid between March 18, 2020, and June 20, 2020, but only deducted \$1,050 of federal, provincial, or territorial income tax from your employees, you can reduce a future income tax remittance by \$1,000, even if that remittance is in respect to remuneration paid after June 20, 2020.

For more information on calculating and reporting the subsidy visit the following website:

<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>

### 3. Work-Sharing Programs

The Government of Canada is implementing the EI Work Sharing Program, which provides EI benefits to workers who agree to reduce their normal working hour as a result of developments beyond the control of their employers, by extending the eligibility of such agreements to 76 weeks, easing eligibility requirements, and streamlining the application process.

This program allows employers to avoid layoffs by scheduling reduced hours for their employees. These employees can access EI for an income supplement.

The employer and the employees (and the union, if applicable) must agree to participate in a Work-Sharing agreement and must apply together. An application for a Work-Sharing agreement must be submitted a **minimum of 30 days** prior to the requested start date.

Who can apply?

#### Eligible employers

To be eligible for a WS agreement, employers must:

- Have been in business in Canada year-round for at least two years;
  - If the business has restructured, it will look to the succession of employers to determine you meet the two year time requirement
- Be a private business, a publicly-held company, or a not-for-profit organization;
- Demonstrate that the shortage of work is temporary and beyond their control, and is not a cyclical/recurring slowdown;
- Demonstrate a recent decrease in business activity of approximately 10%; and,

- Submit and implement a recovery plan designed to return the Work-Sharing unit(s) to normal working hours by the end of the Work-Sharing agreement. There must be a reasonable expectation that recovery (that is, a return to normal work hours for all participating employees) will be achieved by the end of the agreement.

\*Note: A franchise will be treated as a stand-alone business.

#### Eligible employees

Employees being proposed for a Work-Sharing agreement must:

- be "core employees" (that is, year round permanent full-time or part-time employees who are required to carry out the everyday functions of normal business activity)
- be eligible to receive Employment Insurance benefits; and
- agree to a reduction of their normal working hours in order to share the available work

Temporary (that is, term or contract) employees are only eligible if they are not employed on a seasonal basis and if they have maintained hours similar to permanent full-time or part-time employees within the last 12 months.

Core employees who were laid off prior to the agreement start date are eligible to participate. A minimum of two employees is required for a Work-Sharing agreement.

For more information on the work-sharing program visit the following website:

<https://www.canada.ca/en/employment-social-development/services/work-sharing.html>

#### **4. Supplemental Unemployment Benefit Plan**

Employers can use a Supplemental Unemployment Benefit (SUB) plan to increase their employees' weekly earnings when they are unemployed due to a temporary stoppage of work, training, illness, injury or quarantine.

In order to comply with the Employment Insurance Regulations, the following requirements must be met:

1. Employees must be in receipt of EI benefits related to a permitted type of unemployment. In the COVID-19 situation, the most applicable types are "temporary stoppage of work" and "illness, injury or quarantine";
2. The weekly payment under a SUB plan, when added to the applicable weekly EI benefit rate, cannot exceed 95% of the employee's normal weekly earnings; and
3. SUB plans should be registered with Service Canada. If they are not, top-up payments will be considered insurable earnings and will be deducted from an employee's EI benefits.

For more information on how to register for a SUB plan visit the following website:

<https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/ei-employers-supplemental-unemployment-benefit.html>

## **Support for Employees**

### **1. Employment Insurance**

For Canadians without paid sick leave (or similar workplace accommodation) who are sick, quarantined or forced to stay home to care for children, the Government is waiving the one-week waiting period for those individuals in imposed quarantine that claim Employment Insurance (EI) sickness benefits. This temporary measure will be in effect as of March 15, 2020.

Employment Insurance (EI) sickness benefits provide up to 15 weeks of income replacement and is available to eligible claimants who are unable to work because of illness, injury or quarantine, to allow them time to restore their health and return to work. Canadians quarantined can apply for Employment Insurance (EI) sickness benefits.

Employed Canadians who pay EI premiums, and self-employed people who register to participate in the EI program, will qualify if they cannot work because of a medical condition, have lost at least 40 per cent of their usual weekly pay, and worked a minimum of 600 hours in the year before the claim or since their last EI claim. If you are self-employed and pay into EI, you have to wait at least 12 months after registering to make a claim.

The application for EI can be found on the benefits page of the government of Canada's website. Depending on the type of assistance being applied for, and the type of worker, workers can click on the appropriate link and provide the information required, including personal and banking details (to receive payment) and potentially a copy of the Record of Employment (ROE), if a paper-copy is provided. If electronic copies of the ROE are submitted to Service Canada, this step is not required.

If you are eligible, visit the [EI sickness benefits](#) page to apply.

### **2. Emergency Support Benefit and Emergency Care Benefit**

The Government of Canada announced \$5 billion in forthcoming support for workers who are not eligible for EI and who are facing unemployment due to COVID-19. The Emergency Support Benefit payments have not yet been disclosed.

The Emergency Care Benefit will provide up to \$900 bi-weekly, for up to 15 weeks. This benefit will provide income support to:

- Workers, including the self-employed, who are quarantined or sick with COVID-19 but do not qualify for EI sickness benefits.
- Workers, including the self-employed, who are taking care of a family member who is sick with COVID-19, such as an elderly parent.
- Parents with children who require care or supervision due to school closures, and are unable to earn employment income.

Applications for these benefits will open in April, at a date to be determined. When that happens, Canadians will be able to apply for them through [CRA MyAccount](#) or [My Service Canada Account](#) or by calling a toll-free number that has not yet been made public.

### **3. Canada Child Benefit**

For over 3.5 million families with children, who may also require additional support, the Government is proposing to increase the maximum annual Canada Child Benefit (CCB) payment amounts, only for the 2019-20 benefit year, by \$300 per child. The overall increase for families receiving CCB will be approximately \$550 on average; these families will receive an extra \$300 per child as part of their May payment. In total, this measure will deliver almost \$2 billion in extra support.

If you are already receiving CCB payments then you do not need to reapply.

For additional information visit the following websites:

- Canada's COVID-19 Economic Response Plan <https://www.canada.ca/en/department-finance/economic-response-plan.html>
- Helping Canadians with the economic impact of the COVID-19 Pandemic <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update.html>
- Coronavirus disease (COVID-19) – Benefits and Services <https://www.canada.ca/en/employment-social-development/corporate/notices/coronavirus.html>

## **Alberta Government Support**

### **1. Job-protected leave**

Changes to the Employment Standards Code will allow full and part-time employees to take 14 days of job-protected leave if they are required to self-isolate or caring for a child or dependent adult that is required to self-isolate

To be eligible, employees will not be required to have a medical note and do not need to have worked for an employer for 90 days

This leave covers the 14-day self-isolation period recommended by Alberta's chief medical officer. This leave may be extended if the advice of the chief medical officer changes. The leave does not apply to self-employed individuals or contractors.

### **2. Vacation pay, leave or banked overtime**

Employers and employees may consider using other available leaves should an employee be required to self-isolate. Employees can request using their vacation pay or banked overtime, but employers are not required to grant the request. Provincial employment rules only require employers to provide vacation pay, vacation leave or pay banked overtime within a year of it being earned.

Employers can request employees voluntarily take vacation leave and/or use their vacation pay or banked overtime, but cannot force them to do so under provincial employment rules.

### **3. Utility payment deferral**

Residential, farm and small commercial 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. Call your utility provider directly to arrange for a 90-day deferral on all payments.

### **4. Emergency Isolation Support**

This is a temporary program for working adult Albertans who must self-isolate because they meet the Government of Alberta's published criteria for [self-isolation](#), including persons who are the sole care-giver for a dependent who must self-isolate because they meet the public health criteria, and who will not have another source of pay or compensation while they are self-isolated.

These individuals will receive a one-time payment of \$1,146 until the federal emergency payments begin in April. This can be applied for online at [alberta.ca](http://alberta.ca) but is not yet available.

For additional information visit the following website:

- COVID-19 support for employers and employees <https://www.alberta.ca/covid-19-support-for-employers.aspx>

### **5. WCB -Alberta**

All due and not due 2020 premiums for private sector businesses (with \$10 million or less in insurable earnings) deferred *automatically*. Refunds will be issued for any payments made for 2020. This includes businesses with coverage only in place for business owners and directors (personal coverage), as well as those in voluntary industries with coverage in place on or before March 23, 2020.

Invoicing will resume in or after February 2021 and will include only 50% premium for 2020 based on the 2020 Annual Return. Rest 50% premium for 2020 will be waived.

For more information visit the following website:

[https://www.wcb.ab.ca/assets/pdfs/employers/EFS\\_Premium\\_relief.pdf](https://www.wcb.ab.ca/assets/pdfs/employers/EFS_Premium_relief.pdf)

### **Ontario Government Support**

Ontario is expected to announce its support on March 25, 2020.

### **New Brunswick Support**

Nothing has been announced so far but things are changing every day.