

Overview of the Federal Government of Canada Action Plan for the COVID-19 Crisis

March 24, 2020

For those without paid sick leave (or other accommodation)

1. Employment Insurance (EI) sickness benefits: the one-week wait period waived effective March 15, 2020.
2. Waiving requirement to provide medical certificate for EI sickness benefits.
3. Emergency Care Benefit (done through the CRA) for workers, including the self-employed and others who do not qualify for EI:
 - a. Up to \$900 bi-weekly for a maximum 15 weeks for those who are:
 - i. Quarantined or sick with COVID-19
 - ii. Taking care of sick family member with COVID-19
 - iii. Parents who must stay home to care of their children due to school and daycare closures (regardless if they qualify for EI)
 - b. Applications start April 2020. Individuals-need to meet above requirements and will need to re-attest every 2 weeks to reconfirm their eligibility.
 - c. Individuals can apply through the CRA MyAccount, My Service Canada Account or, by calling a toll-free number with an automated application process (no specifics yet).

For those who have lost employment or face reduced hours due to COVID-19 there is the Emergency Support Benefit (through the CRA). The government has allocated up to \$5 billion for this program. There is also the EI Work Sharing Program which supplements workers who agreed to reduced hours which has been extended to 76 weeks eligibility.

Those receiving quarterly GST benefits will see an increase in the amount as well as receive a one-time payment in early May 2020. Singles will see an estimated \$400 and couples \$600 through 2020.

Those receiving Canadian Child Benefit will see an estimated increase of \$550 through 2020 and will receive extra \$300/child in their May payment.

\$305 million is going towards an Indigenous Community Support Fund for the needs of First Nations, Inuit, and Metis Nations.

The government is:

1. Issuing a 6-month interest-free moratorium for all those repaying Canadian Student Loans.
2. Reducing the amount required by those taking out funds from RRIF accounts and other Registered Pension Plans by 25% due to the uncertain market.
3. Increasing the Reaching Home program by \$157.5 million for those experiencing homelessness.
4. Providing up to \$50 million for women's shelters and sexual assault centres to help women and children fleeing violence.

The CRA is:

1. Deferring the tax submission date for individuals until June 1, 2020 (CRA encourages individuals receiving the GST and/or CCB benefits to file as soon as possible to avoid miscalculations in the amounts they are to receive).
2. Trusts with taxation year ending on December 31, 2019 will have until May 1, 2020 to file.
3. If any amounts become owed to the CRA from March 18, 2020 to August 31, 2020 the CRA will allow payments to be deferred until after August 31, 2020. This includes Canadian businesses.
4. Temporarily allowing e-signatures for documents that require signing, including T183 and T183CORP.

CRA's Outreach Program has closed its doors and is now providing their services over the phone or via a webinar. This program is to assist Canadians with their taxes and inform them of their obligations and what credits/benefits they are eligible for. The Liaison Officer service is now also offering their services only over the phone to provide customized assistance to small business about their obligations, deadlines, and what credits/benefits they are eligible for.

Banks have been encouraged to be flexible and have agreed on a case-by-case basis. They may provide assistance where there is pay disruption, childcare disruption, or illness. Assistance may include:

1. A 6-month payment deferral for mortgage payments;
2. Relief on other credit products such as loans, lines of credit, overdraft.

For Canadian businesses impacted by COVID-19:

1. Through increased flexibility given to the Canada Account, Canadian businesses will have increased access to loans, guarantees or insurance policies such as the Business Credit Availability Program aimed at small and medium sized businesses.
2. Employers eligible for the small business deduction, non-profit organizations, and charities can apply for 10% wage subsidy for a period of 3 months – max \$1375 per employee and \$25000 per employer available immediately.
3. CRA will not contact any small or medium businesses regarding GST/HST assessments or Income Tax audits for the next 4 weeks.
4. CRA will temporarily suspend audits with taxpayers and representatives.

The government has implemented the Insured Mortgage Purchase Program (IMPP) which means the government will purchase up to \$50 billion of insured mortgage pools through the CMHC along with other measures to provide stability, liquidity, and encourage further lending. More details to be given.