

BUSINESS SUPPORT MEASURES

The following are programs and benefits that have been offered to businesses from various sources. At this point, details are not necessarily complete and may change daily. We encourage you to continue to check the various website links included below to ensure you have the most up-to-date information.

There are several deferrals being offered, but please be mindful that payments will still be due later in the year.

Fraud:

Please be aware that the Government of Canada will not communicate directly to you via telephone, email or text regarding these measures. Be careful of scams relating to COVID-19. The Canadian Anti-Fraud Centre has a list of current known scams here:

<https://www.antifraudcentre-centreantifraude.ca/features-vedette/2020/covid-19-eng.htm>

My Business Account and Direct Deposit:

As well, we recommend that everyone sign up for CRA's "My Business Account" service. You will be able to apply for some of these supports directly through "My Business Account". The registration process can be started here:

<https://www.canada.ca/en/revenue-agency/services/e-services/cra-login-services.html> .

You should also have direct deposit set up with CRA, so that if you are eligible for any supports you will receive them quicker. If you have "My Business Account" you can set direct deposit up through that system. If not, there are a few other ways detailed here:

<https://www.canada.ca/en/revenue-agency/services/about-canada-revenue-agency-cra/direct-deposit.html>

Supports offered to businesses from the Government of Canada include:

- A Temporary Wage Subsidy program of 10% of remuneration paid from March 18, 2020 to June 19, 2020, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer. This benefit is accessed via a reduction of the remittance of income tax withheld (not CPP and EI) from your employees' remuneration. This subsidy is taxable to your business. Details of who is eligible for this subsidy and how it is calculated can be found here:

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

https://www.videotax.com/march-25-update-covid_19

- The proposed Canada Emergency Wage Subsidy (CEWS) will cover 75% of salaries (to a maximum of \$847 per week per employee) for up to three months, retroactive to March 15, 2020. The business must have experienced a revenue drop of at least 30% compared to the same month in 2019 (“Reference Period”), and will have to reapply each month based on wages paid during the “Claiming Period”. Eligible employers can apply via the CRA “My Business Account”, or via the CRA website (however this is not up and running yet). Apparently, funds will then be available after six weeks. This subsidy is also taxable to your business. Using the 10% subsidy above will reduce the amount you will be able to receive from this Subsidy. Details will continue to come out over the next few days for CEWS. We suggest getting your statements showing the decrease in revenue ready and sign up for My Business Account.

Current details of this program can be found here:

<https://www.canada.ca/en/department-finance/economic-response-plan/wage-subsidy.html>

- The Canada Emergency Business Account will provide interest-free loans of up to \$40,000 to small businesses and not-for-profits to help cover operating costs. Contact your financial institution to apply for these loans. Please note that eligibility requires total payroll to be between \$50,000 and \$1 million for 2019. Repaying the loan before December 31, 2022 will result in a maximum of \$10,000 of loan forgiveness (up to 25% of the loan balance). Businesses can be applying the week of April 6th, and have your T4 Summary from 2019 with you.

Details can be found at:

https://www.canada.ca/en/department-finance/news/2020/03/additional-support-for-canadian-businesses-from-the-economic-impact-of-covid-19.html#_New_Loan_Programs

- The Work-Sharing program has been extended from 38 weeks to 76 weeks. This is a program that is designed to help employers avoid layoffs when there is a temporary reduction in the normal level of business activity. Under this program, employees who agree to reduce their normal working hours receive EI benefits as income support. A simplified application must be filed with Service Canada at least 10 days in advance of starting this program.

This link gives more details:

<https://www.canada.ca/en/employment-social-development/corporate/notices/coronavirus/employees-overview.html>

- The deadline for a corporation **to pay** any income tax amounts owing on the filing of your corporate income tax return, 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.

- The deadline for a corporation **to file** income tax returns for the current tax year was been extended to June 1, 2020. This extension applies to corporations that would otherwise have a filing due date after March 18 and before June 1, 2020.
- If you have to pay corporate income tax instalments, the March through August payments can be deferred until September 1, 2020 without incurring any interest or penalties.
- Payments of HST remittances and import tax duties normally owing in March, April and May 2020 have been deferred until June 30, 2020. However, returns must continue to be filed as per normal deadlines but CRA has announce no penalties if filed by June 30, 2020.
- Payroll remittances due dates and payments have not been extended.

Further details on all of these supports can be found at:

<https://www.canada.ca/en/department-finance/economic-response-plan.html>

https://www.canada.ca/en/department-finance/news/2020/03/additional-support-for-canadian-businesses-from-the-economic-impact-of-covid-19.html#_New_Loan_Programs

Supports offered to businesses from the Government of Ontario include:

- A proposed increase in the Employer Health Tax (EHT) exemption from \$490,000 to \$1,000,000 for 2020.
- A proposed interest and penalty-free period on late-filed returns or late payments under select provincially administered taxes, such as EHT, Tobacco Tax and Gas Tax.
- A proposed deferral of WSIB premiums until August 31, 2020.

Further details can be found at:

https://budget.ontario.ca/2020/marchupdate/index.html?_ga=2.73925910.526271280.1584974991-1133991564.1557715661

Supports offered to businesses from other sources include:

- The Business Credit Availability Program has been established with the Business Development Bank of Canada (BDC) to provide loans and other types of financial support. The purpose is to cover cash shortfalls for the next six months. There is an application process and only qualifying companies will be eligible for the loans. The terms of these loans will be flexible. If you are interested in applying for this program, please contact your financial institution directly. Follow this link for additional details:

https://www.bdc.ca/en/about/mediaroom/news_releases/pages/bdc-announces-additional-measures-provide-relief-canadian-entrepreneurs.aspx

- Farm Credit Canada (FCC) has also established a similar program to assist farmers and the agri-food sector with any cash flow challenges. Please contact FCC here:

<https://www.fcc-fac.ca/en/covid-19.html>

Other issues facing businesses:

- Speak to your commercial insurance provider to determine if you may be entitled to business interruption insurance payments.
- If you have to lay off employees, or your employees are ill or refuse to work due to COVID-19, you are required to file a Record of Employment (ROE). Your employee can start the application process for EI without an ROE, but it appears that they can't collect EI without the ROE being filed. When you complete the ROE, please do not put comments in the comment box (Block 18), as this can slow down the processing time. If an employee's insurable earnings are interrupted for 7 days, then you need to submit a ROE for them.

One more link:

- The Canadian Federation of Independent Business has been lobbying for significant support measures from all levels of the government. Their extensive link is below:

<https://www.cfib-fcei.ca/en/small-business-resources-dealing-covid-19>