

FEDERAL GOVERNMENT SUPPORT SUMMARY

The Federal and Ontario Governments have announced a series of economic measures intended to help stabilize the economy and provide support to individuals and businesses in dealing with the COVID-19 pandemic.

While some of these measures have not yet been enacted into law and may be subject to change, the federal government has provided a general outline of the measures that it intends to implement.

We hope you find this comprehensive summary informative and useful.

CANADA EMERGENCY WAGE SUBSIDY (CEWS)

The Federal and Ontario Governments have announced a series of economic measures intended to help stabilize the economy and provide support to individuals and businesses in dealing with the COVID-19 pandemic. While some of these measures have not yet been enacted into law and may be subject to change, the federal government has provided a general outline of the measures that it intends to implement. We hope you find this comprehensive summary informative

The “New” Wage Subsidy: On March 27, 2020, Prime Minister Trudeau announced the temporary wage subsidy will increase to 75% of remuneration paid, be backdated to March 15, 2020, and would be in place for a 12-week period from March 15, 2020 to June 6, 2020.

On April 1, 2020, Finance Minister Bill Morneau provided further details as to eligibility for the support but did not provide sufficient details to bring certainty to the available support and allow for businesses to make any significant decisions.**

Summary of the key elements of the Canada Emergency Wage Subsidy (“the Subsidy”):

SUMMARY

It is available to businesses, both large and small, not-for-profit organizations and charities.

It will provide up to 75% of an employee’s wages for a 3-month period retroactive to March 15, 2020, to a maximum of \$847 per week which is 75% of the first \$58,700 of an employee’s annual salary. There is no overall limit on the Subsidy amount that an eligible employer may claim. The Subsidy will simply be based on the number of qualified employees in the business. The subsidy, however, **may only be available to those employers that are able to pay the remaining 25% of wages to an employee.

To qualify, employers must demonstrate that their revenue from business operations has fallen by at least 30% in March, April or May 2020 when compared to the same month in the prior year as a result of the COVID-19 pandemic. As such, an employer may qualify for a subsidy in one month, but not the next, and then re qualify for the following month.

The decline in revenues must only be from business carried out in Canada and generated from arm’s length (and not non-arms length) sources. Revenues must exclude from their calculations of the decline in revenue any revenue, (a) paid between businesses in a related group of companies, and (b) any “extraordinary items”.

Support for the reduction and Subsidy amount will need to be kept and employers will have to reapply for the Subsidy each month.

ELIGIBLE EMPLOYEES INCLUDE:

- Current and newly hired employees; but
- “Special rules” will apply to employees which are non-arm’s length to the employer.
- Subsidy calculation: For a given week, the subsidy will be the greater of:
 1. 75% of the wages paid to an employee up to \$847 per week; and
 2. The lesser of:
 - a. Weekly wage paid up to \$847 per week; and
 - b. 75% of the employee’s “pre-crisis weekly remuneration” (*there has been no clarification on the meaning of “pre-crisis weekly remuneration” at this time*).

FURTHER INFORMATION

- Employers must make their best effort to top-up employee’s salaries to bring them to pre-crisis levels.
- The amount of the Subsidy received by an employer is considered government assistance and is to be included in the employer’s taxable income.
- The program will be administered by the Canada Revenue Agency through a portal on its website, which is expected to be available in 3-6 weeks.
- Employers are encouraged to sign up for direct deposit through the My Business Account service with the Canada Revenue Agency (CRA) in order to receive the Subsidy as quickly as possible.
- Subsidy applications will be made on-line through the CRA website within the next three weeks, and there is the belief that funds will be made available within the next six weeks.
- To facilitate funding, it has been recommended that each business register for direct deposit with CRA. See Note 1 below. We can assist you for this registration.
- If an employer does not qualify for the “New” Canada Emergency Wage Subsidy, the employer may still apply for the previously announced wage subsidy of 10 percent up to \$25,000 which allows eligible employers to reduce payroll withholding taxes. See section on Other Federal Government Support for Business below.
- If a business has taken advantage of the previously announced wage subsidy, the benefits received will reduce any amounts available to that business under the “New” Canada Emergency Wage Subsidy.

Proposed legislation for the Subsidy has not yet been released. Parliament will need to be recalled to pass new legislation implementing the Subsidy.

This is expected in the coming days/week. Details of the Subsidy may change once it goes through the legislative process.

APPLICATION PROCESS

Eligible and qualified employers will need to apply each month to demonstrate their qualifications for the subsidy. Eligible and qualified employers applying in April will receive their subsidy retroactive to March 15.

CRA PAYMENT PROCESS

CRA will be administering the program and will be paying the subsidy directly to the businesses. The “payroll withholdings reduction” requirement of the previously announced subsidy is not applicable to the “New” subsidy.

NOTE 1

The 75% wage subsidy, can be received through your Corporate Online Account. To register, the following steps need to be followed:

1. Set-up direct deposit (unfortunately we can't do this from the representative portal).
2. Apply for the wage subsidy (we will see if this is something we can do from the representative portal).

Here is a link to register:

<https://www.canada.ca/en/revenue-agency/services/e-services/e-services-businesses/business-account.html>

Find more information regarding the Subsidy on the following Government of Canada website:

www.canada.ca/en/department-finance/news/2020/04/government-announces-details-of-the-canada-emergency-wage-subsidy-to-help-businesses-keep-canadians-in-their-jobs.html

www.canada.ca/en/department-finance/news/2020/04/the-canada-emergency-wage-subsidy.html

CANADA EMERGENCY BUSINESS ACCOUNT (CEBA)

The Canada Emergency Business Account was announced by the Government of Canada on March 27, 2020.

Summary of the key elements of the Canada Emergency Business Account (“the Business Account”):

- It's a \$40,000 government guaranteed loan to help eligible businesses pay for operating expenses, payroll and other non-deferrable expenses which are critical to sustain business continuity.
- To qualify you must demonstrate the company paid between \$50,000 to \$1 million in total payroll for 2019.
- Details regarding application process to be provided by financial institutions. Contact financial institutions directly to apply for these loans.
- Until December 31, 2020, the Business Account will be funded as a revolving line of credit for \$40,000.
- After December 31, 2020, any outstanding balance on the revolving \$40,000 line of credit will be converted into a non-revolving 5 year term loan maturing on December 31, 2025, at which time the balance must be paid in full.
- No interest applies until January 1, 2023.
- Commencing on January 1, 2023, interest accrues on the balance of the term loan at the rate of 5% per annum, payable monthly on the last day of each month.
- If 75% of the balance of the term loan (as at January 1, 2021) is paid, on or before December 31, 2022, the remaining balance of your term loan will be forgiven. For example, if your balance is \$40,000 on January 1, 2021 and you repay \$30,000 on or before December 31, 2022, the remaining \$10,000 will be forgiven.
- If 75% of the balance of the term loan (as at January 1, 2021) is not repaid on or before December 31, 2022, the full loan balance and all accrued and unpaid interest will be due and payable on December 31, 2025.
- For more information regarding the CEBA, please click on the following Government of Canada release:

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

OTHER FEDERAL GOVERNMENT SUPPORT FOR BUSINESSES

BUSINESS WAGE SUBSIDY

Eligible employers - individuals (excluding trusts); partnerships (all members - CCPCs, individuals, partnerships or reg. charities); non-profit organizations; registered charities; and Canadian controlled private corporations (CCPCs).

Eligible employer must employ one or more eligible employees (employed in Canada); have an existing business number and payroll account with the CRA on March 18, 2020; and pay salary, wages, bonuses, or other remuneration to an eligible employee.

IMPLEMENTATION & HOW TO APPLY

Applies for the period of March 18 to June 19, 2020.

Manual subsidy calculation performed by employer, and monthly remittance to the CRA reduced by amount of calculated subsidy.

For employers that are eligible for both the CEWS and the 10 per cent wage subsidy for a period, any benefit from the 10 per cent wage subsidy for remuneration paid in a specific period would generally reduce the amount available to be claimed under the CEWS in that same period.

BENEFIT

Up to 10% of an employee's wage for a period of 3 months, up to a maximum of \$1,375 per employee and \$25,000 per employer.

Employer maximum not shared within an associated group.

CCPCs are not eligible if associated taxable capital employed in Canada for the preceding taxation year is \$15 million or more.

CCPCs must have a small business deduction (SBD) limit greater than NIL for its last taxation year that ended before the start of the eligible period (this requirement ignores the reduction of the SBD resulting from adjusted aggregate investment income (AAIL)).

MORE INFO

Subsidy reduces remittances of federal, provincial and territorial income tax withheld on the employees' remuneration.

Subsidy does not reduce remittance of Canada Pension Plan or Employment Insurance. The wage subsidy received by an employer would be considered government assistance and be included in the employer's taxable income.

Q&A FROM THE CRA

<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html#h2>

To help Canadian businesses and their advisors calculate this subsidy, Tax Templates Inc. has created a free worksheet:

<https://www.taxtemplates.ca/wage-subsidy/>

CORPORATE INCOME TAX RETURN & PAYMENT DEFERRAL

Tax return deferral

Corporations with an income tax return due date after March 18, 2020 and before June 1, 2020.

Tax payment deferral

Persons with corporate income tax payments (including 2020 tax installments) that become owing on or after March 18, 2020 and before September 1, 2020 (the CRA currently reports deferral of Part I tax only).

IMPLEMENTATION & HOW TO APPLY

Tax return deferral – No application required.

Tax payment deferral – No application required.

Defer any payments without any penalties or interest.

BENEFIT

Corporate tax return due date deferred to June 1, 2020.

Corporations that owe Part I income tax balances or income tax installments on or after March 18, 2020 and before September 1, 2020 have until September 1, 2020 to remit these amounts.

No penalties or interest will apply to any tax returns filed or payments made on or before the extended due dates.

MORE INFO

The criteria for this deferral is not established in the Income Tax Act. The administration of this measure will be based on Ministerial discretion through the CRA relying on policy announcements made by the government and the CRA.

GST, HST & CUSTOMS DUTIES ON IMPORTS

GST/HST payments, installments or remittances that become owing on or after March 27, 2020 and before June 2020.

Customs duties and GST on imports due for March, April and May 2020.

IMPLEMENTATION & HOW TO APPLY

Payments of GST, HST, customs duties and GST on imports deferral – No application required.

FILING OF GST/HST RETURN (GST34): must still be submitted when due – No deferral.

Excise taxes and duties are not currently deferred and are still required to be remitted by their prescribed due dates.

BENEFIT

The GST, HST, customs duties & GST on imports tax payments can be deferred until June 30, 2020.

No interest will apply to any tax payments made on or before the extended due date.

MORE INFO

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

Deferral of GST/HST Tax remittances – CRA Q&A:

<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-gst-hst.html>

Registrants should sign up for direct deposit through My Business Account in order to receive their refunds:

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

Paper copies of GST/HST returns will not be processed until normal operations resume. The CRA is encouraging registrants to file electronically:

<https://www.canada.ca/en/revenue-agency/services/e-services/e-services-businesses/business-account.html>

BUSINESS CREDIT AVAILABILITY PROGRAM

Largely targeted to small and medium-sized businesses (SMEs).

IMPLEMENTATION & HOW TO APPLY

The program will further support financing in the private sector through the Business Development Bank of Canada (BDC) and Export Development Canada (EDC).

Financial institutions will conduct the underwriting and manage the interface with their customers.

BENEFIT

The BDC will participate in a co-lending program with financial institutions to co-lend term loans to SMEs for their operational cash flow requirements. Eligible businesses may obtain incremental credit amounts up to \$6.25 million with BDC's portion of this program up to \$5 million maximum per loan.

EDC will guarantee new operating credit and cash flow term loans that financial institutions

MORE INFO

The near-term credit available to farmers and the agri-food sector will also be increased through Farm Credit Canada:

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

More information at BDC and EDC:

<https://www.bdc.ca/en/pages/special-support.aspx?special-initiative=covid19>

<https://www.edc.ca/en/campaign/coronavirus-covid-19.html>

FEDERAL GOVERNMENT SUPPORT FOR INDIVIDUALS

CANADA EMERGENCY RESPONSE BENEFIT ACT(CERB)

The CERB is intended to be a simpler and more accessible combination of the previously announced Emergency Care Benefit and Emergency Support Benefit.

HOW

Workers who must stop working due to COVID-19 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 (EI).

WHO

May apply for payment for any four-week period falling within the period beginning March 15, 2020 and ending on October 3, 2020. No application may be made after December 2, 2020.

Canadians who have applied for EI after March 18, 2020 and before the announcement of the CERB program DO NOT need to reapply under the new CERB as you will automatically be signed up as of April 6, 2020.

The application process accessing the CERB will be available April 6, 2020.

The CRA recommends registering a My Account for Individuals and signing up for direct deposit:

<https://www.cmhc-schl.gc.ca/en/finance-and-investing/mortgage-loan-insurance/the-resource/mortgage-loan-insurance-and-premiums>

The taxable benefit would provide \$2,000 a month for up to four months for workers who lose their income as a result of COVID-19.

Canadians will begin to receive their CERB payments within 10 days of application. The CERB will be paid every four weeks and be available from March 15, 2020 until October 3, 2020.

Individuals receiving the CERB will be required to confirm once every four-week period that they remain unemployed due to COVID-19.

Maximum number of weeks for which income support payments may be made is 16 weeks (4 x 4-week periods).

A person who is at least 15 years of age, who is resident in Canada and who, for 2019 or in the 12- month period preceding the day on which they make an application for CERB has a total income of at least \$5,000.

Individuals whether employed, self-employed, or contract workers cease to work for reasons related to COVID-19 for at least 14 consecutive days within the 4-week period provided they have not received certain types of income, benefits or allowance during that period.

Workers will not be eligible for the CERB if they have quit their employment voluntarily.

If you are receiving the wage subsidy through your employer, you cannot apply for the CERB and vice versa. You can only receive one or the other.

Unfortunately it remains unclear whether some of those who were already unemployed before the onset of the crisis and students about to graduate will be able to access this emergency income support.

Student groups have raised their concerns with Members of Parliament and they appreciate that more work needs to be done as they continue to work toward a positive solution.

EMPLOYMENT INSURANCE (EI)

EI eligible Canadians who have lost their job can continue to apply.

WHO

If you were recently laid off or have reduced hours and qualify for EI benefits, you can submit your request today.

HOW

EI eligible Canadians who have lost their job can continue to apply here:
<https://srv270.hrdc-drhc.gc.ca/AW/introduction?GoCTemplateCulture=en-CA>

Canadians who have already applied for EI after March 18, 2020 due to COVID-19 and whose application has not yet been processed would not need to reapply under the new CERB.

Canadians who are eligible for EI regular and sickness benefits would still be able to access their normal EI benefits, if still unemployed, after the 16-week period covered by the CERB.

BENEFIT

More information:

Regular benefits

<https://www.canada.ca/en/services/benefits/ei/ei-regular-benefit.html>

Sick benefits

<https://www.canada.ca/en/services/benefits/ei/ei-sickness.html>

INFO

Waiving of the one-week waiting period for individuals claiming EI sickness benefits.

No requirement for medical certificate when claiming sickness benefits due to quarantine.

If application for EI sickness benefit has already been completed and you want to waive the one-week period, call 1-833-381-2725. It is important to note that no other request will be actioned on this phone line (volume of calls may cause disruption of service).

Canadians who are already receiving EI regular and sickness benefits as of March 25, 2020 would continue to receive their benefits and should not apply to the CERB.

EI WORK-SHARING (WS) PROGRAM ENHANCEMENTS

The program provides EI benefits to eligible employees who agree to reduce their normal working hours and share the available work while their employer recovers.

For employers and their employees willing to participate in the program as long as the employer can demonstrate a decrease of at least 10% in sales and/or production levels directly or indirectly related to the impact of COVID-19.

COVID-19 temporary special measures are effective March 15, 2020 to March 14, 2021.

In general, program is for eligible employers and their employees where the employer can demonstrate a recent decline in business activity of at least 10%, and a temporary decrease of employee hours of work in the range of 10% to 60%. Note that there are multiple eligibility criteria that must be met for both the employer and the employees. Temporary measures are available where the decrease is directly or indirectly related to the impact of COVID-19.

Extend the qualifying weeks for the EI WS program from 38 to 76.

Waive the mandatory waiting period between agreements.

Ease the recovery plan requirements.

Temporary special measures:

<https://www.canada.ca/en/employment-social-development/corporate/notices/coronavirus.html#work-share>

General information about the WS program:

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

Applicant guide:

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

WHO

HOW

BENEFIT

INFO

GST CREDIT (GSTC)

WHO

Anyone who already receives the GSTC based on the 2018 taxation year.

HOW

There is no need to apply for this payment. If you are eligible, you will get it automatically.

BENEFIT

This one-time payment is set to pay an additional amount of \$290 per person or \$580 per couple and \$153 per child.

This one-time GST credit begins phasing out at 5 cents for every dollar of family income

INFO

One-time special payment scheduled for early

ENHANCED CANADA CHILD BENEFITS (CCB)

WHO

Anyone who already receives the CCB based on the 2018 taxation year.

HOW

Those who already receive the CCB do not need to re-apply.

Will automatically receive in the same manner you receive your current payment.

BENEFIT

This one-time payment is set to pay an additional amount of \$290 per person or \$580 per couple and \$153 per child.

This one-time GST credit begins phasing out at 5 cents for every dollar of family income earned in 2018 over \$37,789.

INFO

One-time special payment scheduled for early May.

CANADA STUDENT LOAN PAYMENTS/ APPRENTICE LOAN PAYMENTS

Anyone who currently pays Canada student loans or

Effective immediately.

Tools to include payment deferral, loan re-amortization, capitalization of outstanding interest

Please contact your bank and/or lender - it will be on a case-by-case basis.

Canada's large banks have confirmed that this support will include up to a 6-month payment deferral for mortgages, and the opportunity for relief on other credit products.

For more information on:

Dealing with mortgage payment difficulties:

<https://www.cmhc-schl.gc.ca/en/finance-and-investing/mortgage-loan-insurance/the-resource/dealing-with-mortgage-payment-difficulties>

Mortgage deferrals:

<https://www.cmhc-schl.gc.ca/en/finance-and-investing/mortgage-loan-insurance/the-resource/covid19-understanding-mortgage-payment-deferral>

WHO

HOW

BENEFIT

INFO

PERSONAL INCOME TAX RETURN & PAYMENT DEFERRAL

Tax return deferral - Individuals who file a personal tax return with the normal due date of April 30, 2020.

Tax payment deferral - Individuals with personal income tax payments (including 2020 tax installments) that become owing on or after March 18, 2020 and before September 1, 2020.

Tax return deferral - No application required

Tax payment deferral - No application required

No penalties or interest will apply to any tax returns filed or payments made on or before the extended due dates.

Personal tax return due date deferred from April 30, 2020 to June 1, 2020.

Personal tax payment due dates deferred to September 1, 2020.

If you expect to receive benefits under GSTC or Canada Child Benefit you are encouraged to NOT delay the filing to ensure your entitlements for 2020-21 are properly determined.

The criteria for this deferral is not established in the Income Tax Act. The administration of this measure will be based on Ministerial discretion through the CRA relying on policy announcements made by the Government and the CRA.

WHO

HOW

BENEFIT

INFO

TRUST TAX RETURN & PAYMENT DEFERRAL

WHO

Tax return deferral – Persons with trust tax returns due prior to May 1, 2020.
Tax payment deferral – Persons with trust income tax payments (including 2020 tax installments) that become owing on or after March 18, 2020 and before September 1, 2020.

HOW

Tax return deferral – no application required.
Tax payment deferral – no application required.
No penalties or interest will apply to any tax returns filed or payments made on or before the extended due dates.

BENEFIT

Trust tax return due date deferred to May 1, 2020.
Trust tax payment due dates deferred to September 1, 2020.

INFO

The criteria for this deferral is not established in the Income Tax Act. The administration of this measure will be based on Ministerial discretion through the CRA relying on policy announcements made by the government and the CRA.

PARTNERSHIP RETURN (T5013) & STATEMENT OF AMOUNTS PAID TO NON-RESIDENTS (NR4)

WHO

Persons filing either a T5013 or NR4 with a due date after March

HOW

Information return or form deferral – No application required.

BENEFIT

Information return or form due dates deferred to no earlier than May 1, 2020.

OTHER TAX RETURNS AND FORMS

Persons filing other tax returns and forms required under the Income Tax Act (ITA) that are due after March 18, 2020 and before June 1, 2020.

Tax return and form deferral – no application required.

NO TAX PAYMENT DEFERRAL provided in announcement.

Other returns and forms due dates deferred to June 1, 2020.

Included in this measure:

- Filing a tax return.
 - Filing an information form.
 - Filing an election form or return.
 - Filing designations.
 - Providing responses to information requests.
-

Announcement made March 27, 2020:

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

WHO

HOW

BENEFIT

INFO

NOTICE OF OBJECTION

For persons filing a notice of objection with a due date on or after March 18, 2020 and before July 1, 2020.

Objection due date deferral – no application required.

Notice of objection due date is effectively extended until June 30, 2020.

Announcement made March 27, 2020:

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

WHO

HOW

BENEFIT

INFO

REGISTERED CHARITY INFORMATION RETURN

WHO



For all charities with a form T3010 due between March 18, 2020 and December 31, 2020

HOW



Information return T3010 deferral - No application

BENEFIT



Trust tax return due date deferred to May 1, 2020.
Trust tax payment due dates deferred to September 1, 2020.

INFO



The criteria for this deferral is not established in the Income Tax Act. The administration of this measure will be based on Ministerial discretion through the CRA relying on policy announcements made by the government and the CRA.

MINIMUM REGISTERED RETIREMENT INCOME FUND (RRIF) WITHDRAWALS

WHO



Those required to withdraw minimum amounts from their RRIF for 2020.

HOW



Effective immediately.

BENEFIT



Required minimum withdrawals is reduced by 25% for 2020.

INFO



Similar rules would apply to individuals receiving variable benefit payments under a defined contribution Registered Pension Plan.

CANADA MORTGAGE & HOUSING PROTECTION PROGRAM

Anyone with a mortgage

Effective immediately (on a case by case basis).

Contact your bank/lender advisor.

Canada's major banks have confirmed that this support could include up to a 6 month payment deferral for mortgages, loan amortization revisions, capitalization of arrears interest and special repayment arrangements.

<https://www.cmhc-schl.gc.ca/en/finance-and-investing/mortgage-loan-insurance/the-resource>

WHO

HOW

BENEFIT

INFO

OTHER SUPPORT

SUPPORT FOR INDIGENOUS

[Contact Indigenous Services Canada](#)

\$305 million for a new distinctions-based Indigenous Community Support Fund will be provided to address immediate needs in First Nations, Inuit and Métis Nation communities.

SUPPORT FOR PEOPLE EXPERIENCING HOMELESSNESS

[Learn more about the Reaching Home Initiative](#)

The Reaching Home initiative will be provided with \$157.5 million to continue to support people experiencing homelessness during the COVID-19 outbreak. The funding could be used for a range of needs such as purchasing beds and physical barriers for social distancing and securing accommodation to reduce overcrowding in shelters.

SUPPORT FOR SEXUAL ASSAULT CENTRES

More information will follow.

Supporting women and children fleeing violence, by providing up to \$50 million to women's shelters and sexual assault centres to help with their capacity to manage or prevent an outbreak in their facilities.

ADDITIONAL INFORMATION

EMPLOYMENT INSURANCE - RECORD OF EMPLOYMENT

- For employers with employees directly affected by COVID-19.
- 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.
- 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.

DIGITAL SIGNATURE - CRA

- For individuals and corporations who wish to file their tax return through an electronic filer.
- Applies March 18, 2020 to August 31, 2020.
- The CRA will accept an electronic signature from a taxpayer whose identity has been verified by the filer as long as the electronic signature is provided in one of the following ways:
 - Taxpayer sends the information return, including the electronic signature using the electronic address most recently provided by the taxpayer to the electronic filer;
 - Taxpayer signs digitally, in the presence of the electronic filer, e. g., using a tablet: or provided through an access controlled, secured electronic location such as a secure website, that is accessible to the taxpayer only because the location of the secure website has been made known to the taxpayer and access has been granted by the filer.

The CRA will recognize a Form T183 or T183CORP that contains an electronic signature as having met the signature requirements of the Income Tax Act.

CRA link for additional information: <https://www.canada.ca/en/revenue-agency/services/e-services/e-services-businesses/efile-electronic-filers/efile-news-program-updates.html>

ONTARIO'S COVID-19 ACTION PLAN

On March 25, 2020, the Ontario government released a one-year On March 25, 2020, the Ontario government released a one-year economic and fiscal plan in response to the COVID-19 pandemic. The province's plan focuses on responding to the ongoing pandemic in a manner that protects the health of residents and the economy of Ontario.

Under this plan and in related announcements, the province introduced several significant tax relief measures, as discussed below.

1. EMPLOYER HEALTH TAX EXEMPTION INCREASE

Ontario's relief plan retroactively increases the Employer Health Tax (EHT) exemption threshold to \$1 million from \$490,000 for 2020.

The exemption is available to private-sector employers with total annual Ontario remuneration not exceeding \$5 million.

The change to the exemption threshold will increase the maximum EHT exemption for eligible employers in 2020 to \$19,500. The exemption threshold is expected to revert to its previous level of \$490,000 on January 1, 2021.

2. REGIONAL OPPORTUNITIES INVESTMENT TAX CREDIT

The fiscal plan includes the introduction of a new Regional Opportunities Investment Tax Credit, which will be a 10 percent refundable corporate income tax credit. This credit will be available to a Canadian-Controlled Private Corporation (CCPC) that makes a qualifying investment in a designated region on or after March 25, 2020. The designated regions are located outside of the Greater Toronto Area. Capital expenditures in excess of \$50,000 and up to \$500,000 related to the construction, renovation or acquisition of eligible commercial and industrial buildings (i.e., capital property included in Capital Cost Allowance (CCA) Class 1 and 6) would be considered qualifying investments. A mandatory review to evaluate the effectiveness of the proposed credit would take place every three years.

Further details on the Regional Opportunities Investment Tax Credit, including a list of designated regions, and the increase to the EHT exemption threshold can be found in Ontario Action Plan.

3. PROPERTY TAX RELIEF

The province has decided to postpone the reassessment that was expected to be completed in 2020 for the 2021 taxation year.

Hence, property tax assessments by municipalities in Ontario for the 2021 taxation year will be calculated based on the same valuation date as for the 2020 taxation year. March 27, 2020. The next reassessment cycle was set to be based on a property valuation date of January 1, 2019. Originally planned to be in place for the taxation years 2021 to 2024, it is unclear whether the postponement of the reassessment will result in updated property values for taxation years 2022 to 2025 or for a 3-year cycle ending in 2024.

There was no mention of changing the base date of valuation to a date other than January 1, 2019. However, if property values are to be in place for taxation years 2022 to 2025, this could certainly cause challenges for certain taxpayers – with 2025 property tax assessments based on values determined more than 6 years prior – particularly if there is a downturn in the market.

On a positive note, appeals that are currently scheduled into 2022 should be resolved before new appeals begin for the next assessment cycle. As the government and the Municipal Property Assessment Corporation (MPAC) adjust to the postponement, Ryan will continue to provide updates.

4. REQUEST FOR RECONSIDERATION DEADLINE EXTENDED

A Request for Reconsideration (RfR) is one way to challenge your property's assessed value. MPAC sets its own deadline by which an RfR must be filed each year.

The deadline normally falls on the same date as the Assessment Review Board's appeal filing deadline, which is March 31. Due to implications of the COVID-19 pandemic, MPAC has announced that it is extending the deadline to file an RfR until 16 days after the Ontario government's Declaration of Emergency has been lifted. At the time of writing, the Declaration of Emergency is in place until at least March 31, 2020. Should the declaration be lifted on that date, the RfR deadline will be April 16, 2020.

When an RfR is filed, MPAC reviews the property's assessment and makes a determination as to whether or not it should be altered. If it decides that no change is warranted and rejects the RfR, or if the property owner is not satisfied with the changes proposed, the owner can file an appeal to the Assessment Review Board within 90 days of MPAC's determination. With the extension to the RfR deadline, even if the Assessment Review Board does not extend the appeal filing deadline (currently set for March 31, 2020), an RfR may still be filed after that deadline. Consequently, if an agreeable settlement is not reached through an RfR, the deadline for a formal appeal has effectively been extended.

5. INTEREST & PENALTY RELIEF

Ontario's Action Plan proposes interest and penalty relief to support businesses in the province affected by the COVID-19 pandemic.

Commencing on April 1, 2020, the province is providing a five-month interest and penalty free period for certain taxes. Continuing until August 31, 2020, interest and penalties will not be applied to late tax return filings or remittances for specified provincially administered tax programs, including:

- Employer Health Tax;
- Fuel and Gas Taxes;
- Insurance Premium Tax;
- Retail Sales Tax on insurance contracts and benefits plans;
- Tobacco, Beer, Wine and Spirits Taxes;
- Mining Tax;
- Race Tracks Tax; and
- Taxes due under the International Fuel Tax Agreement.

Businesses will not be required to provide the Ministry of Finance with any notice or reasons March 27, 2020 for missing a tax reporting deadline. The interest and penalty relief will be applied automatically.

Similarly, the Workplace Safety and Insurance Board (WSIB) will also allow employers to postpone their reporting and payments for a six-month period. Specifically, Schedule 1 employers will be permitted to delay the remittance of WSIB premiums to August 31, 2020. In addition, Schedule 2 employers paying the WSIB for costs associated with workplace illness or injury claims will have their payments deferred. Interest and penalties that would otherwise apply will be waived during this period.

6. ECONOMIC RELIEF MEASURES

In addition to the tax relief discussed above, the province announced a few other economic measures of interest, including:

- Providing a **one-time payment** equal to \$200 per child up to 12 years of age and \$250 for children with special needs to assist parents with additional costs due to the closure of schools and daycares during the pandemic;
- **Doubling the Guaranteed Annual Income System (GAINS)** maximum payment for low-income seniors for six months, commencing in April 2020;
- **Creating affordable electricity bills** for eligible residential, farm and small business consumers by setting electricity prices for these customers to the lowest rate (i.e., the off-peak price) at all hours for 45 days, in recognition of increased daytime electricity use by many customers; and
- Allocating **additional funding for skills training** programs to support workers.

MENTAL HEALTH

In this time of high stress and uncertainty our mental health and that of our team and family members is most important.

Remember you are not alone and assistance is just a click or phone call away.

Some COVID-19 resources can be found here:
<https://www.fvb.ca>

MORE INFORMATION

Further information on Ontario's Action Plan may be found on the province's web site at: Ontario's Action Plan: Responding to COVID-19

<https://news.ontario.ca/mof/en/2020/03/ontarios-action-plan-responding-to-covid-19.html>

The COVID-19 Pandemic will also create issues regarding:

- Contract law
- Employment law
- Landlords/tenants regarding leases
- Business interruption insurance

Information is current to April 4, 2020. The information contained in this release is of a general nature and is not intended to address the circumstances of any particular individual or entity.

Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future.

No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

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