

COVID-19 Government Legislation And Other Relief Benefits



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Given the current circumstances, I thought it would be useful to set out a list of measures put into place by the Canadian and Ontario governments and others to provide assistance and relief for Ontario citizens as of today, March 23.

Federal Measures

Note: The Federal Government has announced an \$82-billion aid package to help Canadians and businesses cope with the global COVID-19 pandemic. Parliament could be recalled as early as March 24 to pass legislation to bring in the fiscal measures. The following are the specific measures that will be enacted. Updates can be found

at: <https://www.canada.ca/en/departement-finance/economic-response-plan.html> and at the Canada Revenue

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

Temporary Income Support for Workers and Parents

Employment Insurance – Effective March 15, 2020, the Government of Canada will waive the one-week waiting period for people who are in quarantine or have been directed to self-isolate and are claiming for Employment Insurance (EI) sickness benefits, at an estimated cost of \$5 million. The Government is waiving the requirement to provide a medical certificate to access EI sickness benefits.

Emergency Care Benefit – Administered through the Canada Revenue Agency (CRA), the Emergency Care Benefit will provide up to \$900 bi-weekly, for up to 15 weeks 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, but do not qualify for EI sickness benefits; and
- Parents with children who require care or supervision due to school

closures, and are unable to earn employment income, irrespective of whether they qualify for EI or not.□

Longer-Term Income Support for Workers

Emergency Support Benefit – Provided through the CRA, it will provide \$5.0 billion in support to workers who are not eligible for EI and who are facing unemployment.

EI Work Sharing Program – Provides EI benefits to workers who agree to reduce their normal working hours 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.

Income Support for Vulnerable Individuals

Goods and Services Tax Credits – The government is proposing to provide a one-time special payment by early May 2020 through the Goods and Services Tax credit (GSTC). This will double the maximum annual GSTC payment amounts for the 2019-20 benefit year. The average boost to income for those benefitting from this measure will be close to \$400 for single individuals and close to \$600 for couples. This measure will inject \$5.5 billion into the economy.

Canada Child Benefit (CCB) – The government is proposing to increase the maximum annual Canada Child Benefit 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.

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

Canada Student Loans – Six-month interest-free moratorium on the repayment of Canada Student Loans for all individuals currently in the process of repaying these loans.

Registered Retirement Income Funds (RRIFs) – Reducing required minimum withdrawals from RRIFs by 25% for 2020. Similar rules would apply to individuals receiving variable benefit payments under a defined contribution Registered Pension Plan.

Reaching Home Initiative – Providing the Reaching Home initiative with \$157.5 million to continue to support people experiencing homelessness during the COVID-19 outbreak.

Women's Shelters and Sexual Assault Centres – 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.

Taxpayers

Filing Due Date Deferral for Individuals – The return filing due date will be deferred until June 1, 2020.

Filing Due Date Deferral for Trusts – For trusts having a taxation year ending on December 31, 2019, the return filing due date will be deferred until May 1, 2020.

Payment Deferral for Individuals – The CRA will allow all taxpayers to defer until after August 31, 2020, the payment of any income tax amounts that become owing on or after today and before September 2020. This relief would apply to tax balances due, as well as instalments, under Part I of the *Income Tax Act*. No interest or penalties will accumulate on these amounts during this period.

Payment Deferral for Businesses – The CRA will allow all businesses to defer until after August 31, 2020, the payment of any income tax amounts that become owing on or after today and before September 2020. This relief would apply to tax balances due, as well as installments, under Part I of the *Income Tax Act*. No interest or penalties will accumulate on these amounts during this period.

Deferral of Audits for Businesses – The CRA will not contact any small or medium (SME) businesses to initiate any post-assessment GST/HST or Income Tax audits for the next four weeks. For the vast majority of businesses, the CRA will temporarily suspend audit interaction with taxpayers and representatives.

Electronic Signatures – Effective immediately, the CRA will recognize electronic signatures as having met the signature requirements of the *Income Tax Act*, as a temporary administrative measure. This provision applies to authorization forms T183 or T183CORP.

CRA Outreach Program – Through this service, the CRA offers help to individuals to better understand their tax obligations and to obtain the benefits and credits to which they are entitled. Traditionally available in-person, this service is now available over the phone and by webinar, where possible.

Mortgages

Mortgage Deferral – 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.

Insured Mortgage Purchase Program (IMPP) – The government will purchase up to \$50 billion of insured mortgage pools through the Canada Mortgage and Housing Corporation (CMHC).

Businesses

Canada Account – The government is changing the Canada Account so that the Minister of Finance is able to determine the limit of the Canada Account to better assist in exceptional circumstances. The Canada Account is administered by Export Development Canada (EDC) and is used by the government to support exporters when deemed to be in the national interest.

Small Business Temporary Wage Subsidy – The government is proposing to provide eligible small employers a temporary wage subsidy for a period of three months. The subsidy will be equal to 10% of the remuneration paid during that period, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer. Employers benefiting from this measure will include corporations eligible for the small business deduction, as well as non-profit organizations and charities.

Business Credit Availability Program (BCAP) – BCAP will allow the Business Development Bank of Canada (BDC) and Export Development Canada (EDC) to provide more than \$10 billion of additional support, primarily targeted to small- and medium-sized businesses. The near term credit available to farmers and the agri-food sector will also be increased through Farm Credit Canada.

Domestic Stability Buffer – The Office of the Superintendent of Financial Institutions (OSFI) announced it is lowering the Domestic Stability Buffer by 1.25% of risk-weighted assets, effective immediately. This action will allow Canada's large banks to inject \$300 billion of additional lending into the economy.

Bank of Canada – Lowered the interest rate to 0.75%.

Ontario Measures

Note: Ontario's Minister of Finance will provide an economic and fiscal update on March 25, which will provide further measures.

Employees

Job-Protected Leave – Per the announcement on March 16, the proposed legislation would, if passed, provide job protection for employees unable to work for the following reasons:

- The employee is under medical investigation, supervision, or treatment for COVID-19.
- The employee is acting in accordance with an order under the Health Protection and Promotion Act.
- The employee is in isolation or quarantine.
- The employee is acting in accordance with public health information or direction.
- The employer directs the employee not to work.
- The employee needs to provide care to a person for a reason related to COVID-19, such as a school or day-care closure.

Childcare Centres – The Ontario government announced March 22 that it would be opening select child care centres across the province to help frontline workers. Included under health care and frontline workers eligible for child care are doctors, nurses, paramedics, firefighters, police, and correctional officers. The services will be free and covered by the government.

With thanks to Josh Hersh (Student-at-Law) for his assistance.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.