

Government of Canada COVID-19: Overview of Economic Measures

As of - April 16, 2020

Over the last several weeks, the Trudeau has announced a series of economic measures to address the effects of the COVID-19 pandemic. Outlined below is an overview of the key elements of these economic stimulus measures.

The support to date has been focused heavily on the needs of private businesses. CPRA continues to actively call for the government to provide economic measures to further support not-for-profits and the municipal parks and recreation sector.

March 23, 2020

\$82-billion aid package that will provide direct support to Canadians and businesses facing hardship (\$27.4 billion in direct support to workers and businesses plus \$55 billion via tax deferrals). Of note:

- Allowing businesses, including self-employed individuals, to defer all Goods and Services Tax/Harmonized Sales Tax (GST/HST) payments until June, as well as customs duties owed for imports
- Launching the new Canada Emergency Business Account. This program will provide up to \$25 billion to eligible financial institutions so they can provide interest-free loans to small businesses, including not-for-profits
- Launching the new Small and Medium-sized Enterprise Loan and Guarantee program that will enable up to \$40 billion in lending, supported through Export Development Canada and Business Development Bank, for guaranteed loans when small businesses go to their financial institutions to help weather the impacts of COVID-19
- Extending the maximum duration of the Work-Sharing program, from 38 weeks to 76 weeks, for workers who agree to reduce their normal working hours because of developments beyond the control of their employers
- Deferring the payment of income taxes: allowing all taxpayers to defer, until August 31, 2020, the payment of income tax amounts that become owing on or after March 18 and before September 2020
- 10 per cent wage subsidy for the next 90 days, up to a maximum of \$1,375 per employee and \$25,000 per employer (later updated as per below)
- Emergency Care Benefits for workers (without EI sickness benefits) who are quarantined, sick, self-isolated or caring for family AND Emergency Support Benefits for workers not eligible to EI and facing unemployment (including those self-employed and those forced to close shop due to the virus)

April 1, 2020

Details released on the new New Canada Emergency Wage Subsidy:

- To apply at a rate of 75 per cent of the first \$58,700 normally earned by employees – representing a benefit of up to \$847 per week. The program would be in place for a 12-week period, from March 15 to June 6, 2020
- Eligible employers who suffer a drop in gross revenues of at least 30 per cent in March, April or May, when compared to the same month in 2019, would be able to access the subsidy
- Eligible employers would include employers of all sizes and across all sectors of the economy, with the exception of public sector entities
- For non-profit organizations and registered charities similarly affected by a loss of revenue, the government will continue to work with the sector to ensure the definition of revenue is appropriate to their circumstances
- An eligible employer's entitlement to this wage subsidy will be based entirely on the salary or wages actually paid to employees -- all employers would be expected to at least make best efforts to top up salaries to 100% of the maximum wages covered

April 2, 2020

The Government of Canada identified a set of functions deemed essential in the context of the COVID-19 pandemic. This list has been developed as a guide to provinces/ territories and municipalities as they implement measures to manage COVID-19 while continuing to ensure the reliable operation of critical infrastructure.

April 7, 2020

- Expansion of the Canada Emergency Wage Subsidy to capture those falling through the cracks. This included eligible employers to only require a drop of 15 per cent of their revenue from March 2019 or from January or February 2020. For subsidies for April or May the revenue drop will be required to be 30 per cent.

April 8, 2020

- The Canada Summer expand the financial subsidy (to 100% from 50%), to include part-time work and expand the amount time that the internship could take place.
- This move is targeted only to successful applicants (those employers who met the February 28th deadline and were approved for funding).
- At this time, there has been no official mention of re-opening the application process to include additional applicants.
- The government indicated they will work with organizations that provide essential services but didn't apply for the program, to see if they can be included.

April 16, 2020

- Extending Eligibility for the Canada Emergency Response Benefit - Part-time and seasonal workers will now be eligible to claim the \$2,000 Canada Emergency Response Benefit (CERB). Workers who are earning up to \$1,000 a month, such as contract or gig economy workers, or who have seasonal employment and cannot find a job due to COVID-19, as well as those who are running out of employment insurance, can now apply to collect the CERB for up to four months.
- A wage top-up for essential workers will increase the pay for people who make less than \$2,500 a month in essential jobs, such as caring for elderly or vulnerable people.
- A new Canada Emergency Commercial Rent Assistance program will help small businesses cover their rents for April, May, and June 2020. The assistance is being rolled out in collaboration with the provinces and territories as it is within their jurisdictions.
- The opening up of the eligibility criteria the Canada Emergency Business Account, a program targeted at small- and medium-sized businesses, offers government-guaranteed loans of up to \$40,000 to cover the costs of keeping their enterprise afloat during the COVID-19 crisis. If the company can repay the balance of the loan by the end of 2022, up to \$10,000 will be forgiven. The current eligibility requires applicants to prove that they paid between \$50,000 and \$1 million in payroll in 2019. Now, companies who paid between \$20,000 and \$1,500,000 in total payroll in 2019 will be eligible to receive a loan.