



Navigating & Applying for COVID-19 Government Business Supports

Overview for Business Owners and Leaders from the Town of Collingwood

April 3, 2020

Agenda

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Introduction

Martin Rydlo
Town of Collingwood

Opening Comments

Chris Loreto
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StrategyCorp is a proud Canadian company. We understand that at this challenging time, it is important for us to do our part to help other proud Canadian companies navigate their way through the economic turmoil caused by COVID-19.

If you need help navigating today's volatile reality, please reach out to us today.

Federal Supports

Roberta Kramchynsky
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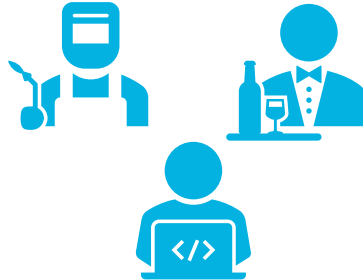
Canada's COVID-19 Economic Response Plan

The federal government's economic response has evolved into a three-point plan of direct supports to prepare the economy to rebound

Protecting Jobs



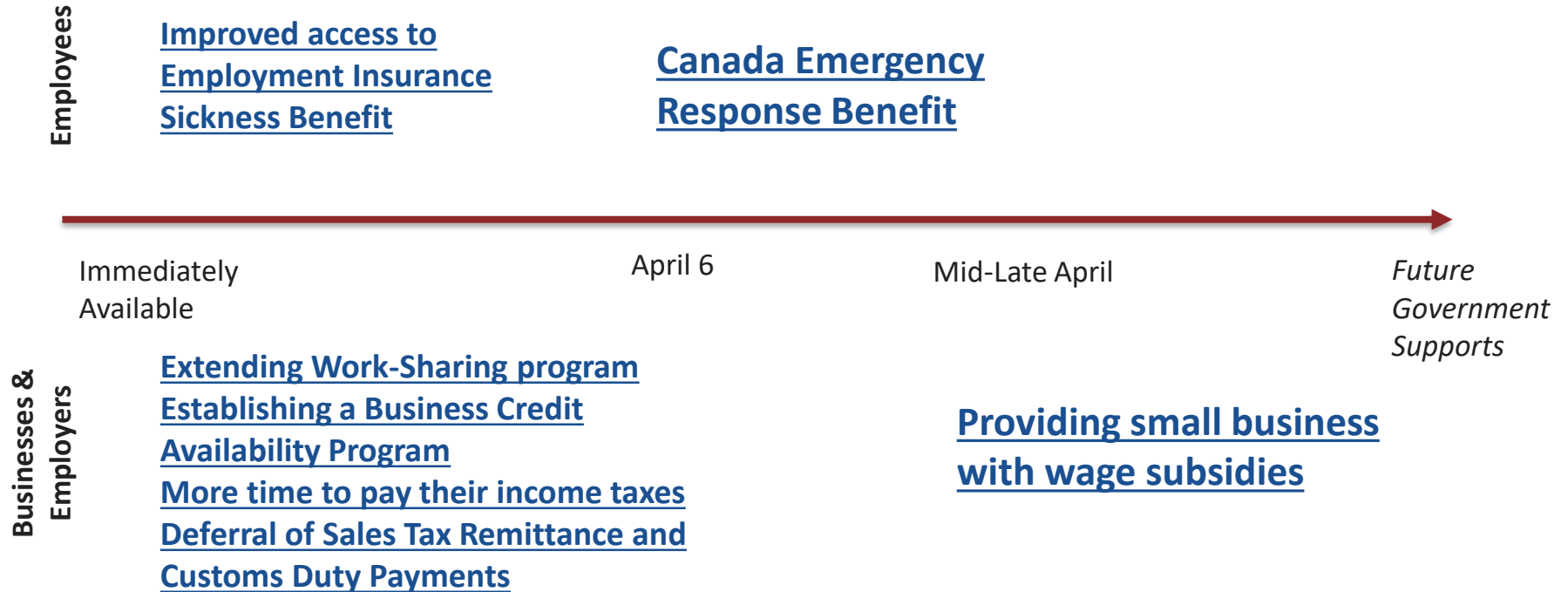
Income Support



Access to Credit



Canada's COVID-19 Economic Response Plan: Key Measures for Employees and Businesses





Canada's COVID-19 Economic Response Plan: Overview of Key Measures for Businesses

Canada Emergency Wage Subsidy

Measure

- 75% of salary on the first \$58,700 earned, up to \$847 per week
- Available from March 15, 2020 to June 6, 2020

Eligibility

- 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
- Available to employers of all sizes and across all sectors
- 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

Application

- Application portal will be launched by Canada Revenue Agency in the next 3-6 weeks
- Businesses will receive the subsidy from CRA and are encouraged to set up direct deposit with CRA to speed up payments

Improved Access to Employment Insurance - Work Sharing Program

Measure

- Extends the eligibility of work sharing agreements from 38 to 76 weeks, easing eligibility requirements and streamlining the application process

Eligibility

- Eligible Employers must:
 - be a year-round business in Canada for at least 1 year;
 - be a private business, a publicly held company or a not-for-profit organization; and
 - have at least 2 employees in the WS unit
- Eligible Employees must:
 - be year-round, permanent, full-time or part-time employees needed to carry out the day-to-day functions of the business (your "core staff");
 - be eligible to receive EI benefits; and
 - agree to reduce their normal working hours by the same percentage and to share the available work

Application

- Employer applications submitted 10 calendar days prior to the requested start date
- Employers must submit:
 - Applications for a Work-Sharing Agreement form (EMP5100)
 - Attachment A: Work-Sharing Unit form (EMP5101)

Canada Emergency Business Account

Measure

- Provides interest-free loans of up to \$40,000 to small businesses and not-for-profits, to help cover their operating costs during a period where their revenues have been temporarily reduced

Eligibility

- Qualifying organizations need to demonstrate total payroll between \$50,000 and \$1 million in 2019

Application

- These programs will roll out in the three weeks after March 27 – access to the Canada Emergency Business Account is expected within the week
- Interested businesses should work with their current financial institutions

Business Credit Availability Program

Measure

- \$65 billion of support is available through Business Development Bank of Canada (BDC) and Export Development Canada (EDC)
- BDC and EDC are working with private sector lenders to coordinate credit solutions for individual businesses, including in sectors such as oil and gas, air transportation and tourism

Eligibility

- **Loan Guarantee for Small and Medium-Sized Enterprises:** EDC is working with financial institutions to issue new operating credit and cash flow term loans of up to \$6.25 million to SMEs
- **Co-Lending Program for Small and Medium-Sized Enterprises:** BDC is working with financial institutions to co-lend term loans to SMEs for their operational cash flow requirements. Eligible businesses may obtain incremental credit amounts of up to \$6.25 million through the program.

Application

- These programs will roll out in the three weeks after March 27 – access to the Canada Emergency Business Account is expected within the week
- Interested businesses should work with their current financial institutions

Income Tax Deferral

Measure

- For all businesses, defer the payment of any income tax amounts that become owing on or after March 18 and before September 2020
- Applies to tax balance 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
- Canada Revenue Agency will not contact any SMEs to initiate any post assessment GST/HST or Income Tax audits for the next four weeks
- For the vast majority of businesses, the Canada Revenue Agency will temporarily suspend audit interaction with taxpayers and representatives

Application

- No application required

Deferral of GST/HST Payments and Customs Duty Payments

Measure

- Defer for all businesses, the payment of the Goods and Services Tax/Harmonized Sales Tax (GST/HST), as well as customs duties owing on their imports until June 30, 2020
- Applies to:
 - GST/HST remittances for the February, March and April 2020 reporting periods for monthly filers
 - The January 1, 2020 through March 31, 2020 reporting period for quarterly filers
 - For annual filers, the amounts collected and owing for their previous fiscal year and instalments of GST/HST in respect of the filer's current fiscal year
- For GST and customs duty payments for imported goods, deferral will include amounts owing for March, April and May

Application

- No application required



Canada's COVID-19 Economic Response Plan: Overview of Key Measures for Employees

Canada Emergency Response Benefit

Measure

- Taxable benefit of \$2,000 a month for up to four months

Eligibility

- Workers, whether employed or self-employed, who have ceased working for 14 consecutive days due to COVID-19, **whether they are EI-eligible or not**, including:
 - 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
- To be eligible, a worker must be at least 15 years of age, a resident of Canada and had a total income of at least \$5,000 in the previous 12 months

Application

- Application available in April 2020 in [My Account](#) on the CRA's website, or by using a dedicated phone line
- Canadians are urged to register for My Account in advance, if they have not already done so
- If you have already applied for EI you do not need to reapply for this benefit

Improved Access to Employment Insurance Sickness Benefit

Measure

- Employment Insurance (EI) sickness benefits provide up to 15 weeks of income replacement and is available to eligible claimants who are unable to work because of illness, injury or quarantine
- The one-week waiting period for EI sickness benefits will be waived for new claimants who are quarantined so they can be paid for the first week of their claim
- Establishing a new dedicated toll-free phone number to support enquiries related to waiving the EI sickness benefits waiting period
- People claiming EI sickness benefits due to quarantine will not have to provide a medical certificate
- People who cannot complete their claim for EI sickness benefits due to quarantine may apply later and have their EI claim backdated to cover the period of delay

Eligibility

- For Canadians who are eligible EI claimants who are unable to work due to being sick, quarantined or have been directed to self-isolate

Application

- Apply via the [EI sickness benefits page](#)
- If you are directly affected by COVID-19 because you are sick or quarantined and you have not yet applied for EI benefits, please submit your application first



Your Questions and Answers

Q. For the 75% wage subsidy, how is the 30% decrease in revenues calculated?

A. Eligibility is determined by the change in an employer's monthly revenue, year-over-year, for the calendar month in which the period began

	Claiming period	Reference period for eligibility
Period 1	March 15 – April 11	March 2020 over March 2019
Period 2	April 12 – May 9	April 2020 over April 2019
Period 3	May 10 – June 6	May 2020 over May 2019

- For non-profits and charities, the government will continue to work with the sector to ensure the definition of revenue is appropriate to their specific circumstances
- For employers established after February 2019, eligibility would be determined by comparing monthly revenues to a reasonable benchmark

**Q: My question is in relation to a retail business or any small business really, that is incorporated. The business owner is also the solo shareholder. (100% shares)
In a usual situation, this shareholder would not be able to apply for EI
Does the 75% wage subsidy apply to these shareholders as well?**

A: Eligible employers include:

- Individuals
- Taxable corporations
- Partnerships consisting of eligible employers
- Non-profit organizations
- Registered charities

A special rule will apply to employees that do not deal at arm's length with the employer.

- The subsidy amount for such employees will be limited to the eligible remuneration paid in any pay period between March 15 and June 6, 2020, up to a maximum benefit of \$847 per week or 75 per cent of the employee's pre-crisis weekly remuneration

Q: Should I rehire employees, even if I am not going to make them work (i.e., our store is closed?) If so, at how many hours should I hire them back for: average of 12 weeks?

A. The Canada Emergency Wage Subsidy aims to prevent further job losses and to encourage employers to re-hire workers previously laid off as a result- of COVID-19

- The subsidy is available for up to 12 weeks, retroactive to March 15, 2020
- Employers are be expected, where possible, to maintain existing employees' pre-crisis employment earnings

Q: What if my business does not qualify for the 75% wage subsidy? Is there anything available?

A. Organizations that do not qualify for the Canada Emergency Wage Subsidy may qualify for the 10% Temporary Wage Subsidy for Employers

- The subsidy is equal to 10% of the remuneration you pay from March 18, 2020 to June 19, 2020, up to \$1,375 for each eligible employee and to a maximum of \$25,000 total per employer
- This subsidy is calculated manually, and you can reduce current payroll remittance of federal or provincial income tax that you send to the CRA by the amount of the subsidy

Q: What are the qualifications to be eligible for the newly announced CERB?

A: CERB is a temporary income support available to workers who stopped work as a result of reasons related to COVID-19

CERB is available to workers:

- Residing in Canada, who are at least 15 years old;
- Who have stopped working because of COVID-19 or are eligible for Employment Insurance regular or sickness benefits;
- Who had income of at least \$5,000 in 2019 or in the 12 months prior to the date of their application; and
- Who are, or expect to be without, employment or self-employment income for at least 14 consecutive days in the initial four-week period. For subsequent benefit periods, they expect to have no employment income

Q: Regarding the CERB, a small business owner who still has some income coming in such as rental income but has no revenue from the business and still paying employees wages and expenses, would they still qualify?

A: CERB is available to those who stop working for reasons related to COVID-19 or are eligible for Employment Insurance regular or sickness benefits

- Examples of stopping to work include:
 - You have been let go from your job or your hours have been reduced to zero
 - You are in quarantine or sick due to COVID-19
 - You are away from work to take care of others because they are in quarantine, sick due to COVID-19
 - You are away from work to take care of children or other dependents whose care facility is closed due to COVID-19
- In this particular case, the employer should apply for the **Canada Emergency Wage Subsidy**

Q: Does an employee need to be laid off to access CERB?

A: No. Workers can remain attached to their company and receive the Benefit

- To access CERB:
 - A worker must have stopped working as a result of COVID-19;
 - Be without income for at least 14 consecutive days within the initial four-week period; and,
 - For subsequent periods, a worker has to expect to have no employment income

Q: Can someone receive EI and CERB?

A: Employment Insurance Benefits and the CERB cannot both be received for the same period

- If someone is already receiving EI benefits, those benefits will continue to the end of the benefit period. If they are eligible for CERB at that time, they can apply
- An employer would not be eligible to claim the Canada Emergency Wage Subsidy for remuneration paid to an employee in a week that falls within a 4-week period for which the employee is eligible for the Canadian Emergency Response Benefit

Q. Do I need to issue a Record of Employment (ROE) to employees for closures due to COVID-19?

A: If your employees are directly affected by the coronavirus (COVID-19) and they are no longer working, you must issue a Record of Employment (ROE)

- 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

Ontario Action Plan

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Ontario Action Plan: Responding to COVID-19

The Finance Minister announced the provincial government's one-year fiscal outlook and an accompanying COVID-19 response action plan. The Action Plan outlines \$17 billion in supports that are divided into three parts:



People and Jobs - \$3.7 billion

- \$2 billion for targeted supports
- \$290 million in new tax measures
- \$1.5 billion for electricity cost relief



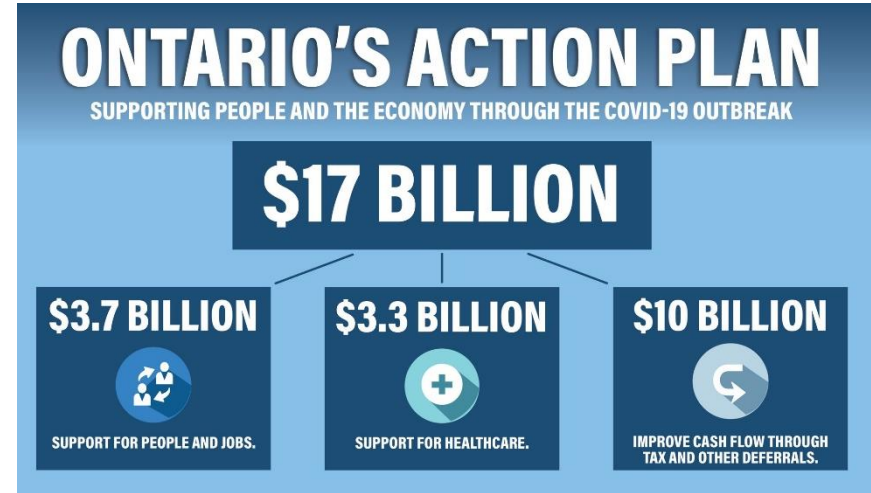
Healthcare - \$3.3 billion

- \$2.1 billion in emergency response measures
- \$1.2 billion to improve the healthcare system



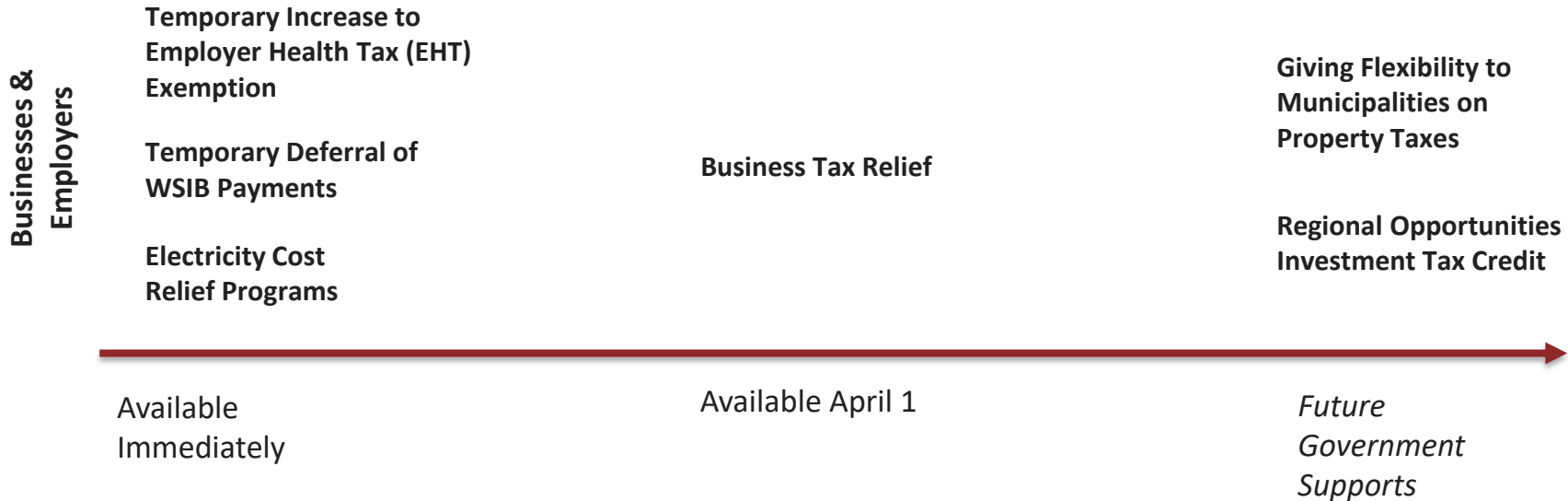
Tax and Other Deferrals - \$10 billion

- \$6 billion in deferred taxes for businesses
- \$1.9 billion in WSIB Expense Deferrals for Employers
- \$1.8 billion by Deferring Municipal Education Property Tax Payments



The Premier and Minister of Finance have commented that the Action Plan is their first step in responding to the COVID-19 crisis and will continue to work with the federal government and municipalities to support Ontarians as the situations continues to unfold

Ontario's COVID-19 Response Action Plan: Key Measures for Businesses





Ontario's COVID-19 Response Action Plan: Overview of Key Measures for Employers

Ontario Together

- Ontario has launched a website, [Ontario Together](#), where they are accepting proposals from businesses, researchers and organizations to support the response to COVID-19, including:
 - Provisions of medical products (e.g. ventilators, masks, swabs)
 - Virtual mental health services for people who are vulnerable or living in remote communities
 - Supply chain resiliency monitoring
 - Financial planning and advising for small businesses that can be delivered online at low-cost including advice about relief programs and how to apply
 - Remote learning for elementary and secondary students while schools are closed
- To support this, the province has launched an **Ontario Together Fund**, which consists of \$50 million for innovative submissions that can be actioned quickly and will help companies to retool to provide critical goods and services in support of frontline health care workers and first responders

Application

- This is a one-time fund in 2020-21 during the COVID-19 outbreak and is available to companies and organizations across Ontario to apply through [Ontario Together](#)

Business Tax Relief

Measure

- Beginning April 1, 2020 and ending August 31, 2020, the government is providing a five-month interest and penalty-free period to make payments for the following provincially administered taxes
 - Employer Health Tax
 - Tobacco Tax
 - Fuel Tax
 - Gas Tax
 - Beer, Wine, and Spirits Tax
 - Mining Tax
 - Insurance Premium Tax
 - International Fuel Tax Agreement
 - Retail Sales Tax on Insurance Contracts and Benefits Plans
 - Race Tracks Tax
- Penalties and interest will not apply to any missed return filing or remittance deadline under the tax programs listed

Eligibility

- Businesses filing returns and remitting taxes under Ontario's 10 business-focused tax programs listed

Application

- Businesses do not need to apply for relief. Penalties and interest will be waived automatically for all late returns or remittances by Ontario businesses for these 10 tax programs during the relief period.

Temporary Increase to the Employer Health Tax (EHT) Exemption

Measure

- Temporary increase to the EHT exemption from \$490,000 to \$1 million for 2020
- About 57,000 private-sector employers would pay less EHT in 2020, including about 30,000 more employers who would not pay EHT this year
- The exemption would return to its current level of \$490,000 on January 1, 2021

Eligibility

- Eligible private-sector employers with annual payrolls of up to \$5 million would be exempt from EHT on the first \$1 million of total Ontario remuneration in 2020

Application

Penalties and interest will be waived automatically

Temporary Deferral of WSIB Payments

Measure

- Making available \$1.9 billion by the Workplace Safety and Insurance Board (WSIB) allowing employers to defer reporting and payments up until August 31, 2020
- No interest will be accrued on outstanding premium payments and no penalties will be charged during this six-month deferral period

Eligibility

- All employers covered by the WSIB's workplace insurance (Schedule 1)
- Schedule 2 businesses that pay WSIB for the cost related to their workplace injury and illness claims

Application

- Businesses are automatically eligible if they are included in Schedule 1 or 2

Electricity Relief

Measure

- Setting electricity prices for residential, farm and small business time-of-us customers at the lowest rate - known as the off-peak price - 24 hours a day for 45 days, effective March 24
- Customers will see rate reductions of over 50 per cent compared to on-peak rates

Eligibility

- Families, small businesses and farms paying time-of-use (TOU) rates

Application

- The new pricing will be automatically applied to upcoming hydro bills

Giving Flexibility to Municipalities on Property Taxes

Measure

- The Province is deferring the upcoming June 30 quarterly municipal remittance of education property tax to school boards by 90 days, which will provide municipalities the flexibility to provide property tax deferrals to residents and businesses
- The planned property tax reassessment for 2021 will be postponed and 2021 property taxes will be based on the same valuation date that was in effect for 2020

Eligibility

- Residents and businesses

Application

- Municipal decision

What's Next?

- Ontario's Action Plan was a “first and immediate step” to support families, businesses and communities across the province
- The government has indicated it will continue to closely monitor the situation to determine next steps, working closely with stakeholders to respond to any scenario moving forward – this could include extension of recent measures if necessary
- Government continues to encourage solutions from businesses and organizations across the province, including regulatory changes to support response to COVID-19



Wrap Up

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