

# COVID 19 – BULLETIN #8 UPDATES: CERB, CANADA EMERGENCY BUSINESS ACCOUNT, WAGE BOOST FOR ESSENTIAL WORKERS, CANADA EMERGENCY COMMERCIAL RENT ASSISTANCE PROGRAM

RELEASE DATE APRIL 17, 2020

The purpose of this bulletin is to supply updated information provided by the Canadian government regarding changes to the Canada Emergency Response Benefit and Canada Emergency Business Account programs' eligibility criteria, and to introduce two new programs announced by the federal government this week, the Canada Emergency Commercial Rent Assistance (CECRA) for small businesses and the Wage Boost for Essential Workers plan.

Over the last few days, the Canadian government has provided updates as to who will be eligible to access the Canada Emergency Response Benefit (CERB) program and the Canada Emergency Business Account (CEBA). Prime Minister, Justin Trudeau, also announced that the federal government will be working with provincial governments to provide two new programs, the Canada Emergency Commercial Rent Assistance (CECRA) and the Wage Boost for Essential Workers. If in doubt about whether anything in this document is still current, please do not hesitate to contact us.

## **AS OF APRIL 17, 2020:**

*This bulletin is current to the morning of **April 17, 2020**. Please note that while we continue to monitor the situation, the circumstances remain very fluid as legislative and government rules and policies are ever changing. The responses of federal and provincial governments will continue to evolve, and this may impact the accuracy of the information in this bulletin and any information is subject to revision with the introduction of new or additional government guidelines.*

## **CANADA EMERGENCY RESPONSE BENEFIT (CERB)**

To support workers and help businesses keep their employees, the government proposed legislation to establish the Canada Emergency Response Benefit. This taxable benefit provides \$2,000 a month for up to four months for workers who lose their income as a result of the COVID-19 pandemic.

The CERB covers Canadians who have lost their job, are sick, quarantined, or taking care of someone who is sick with COVID-19, as well as working parents who must stay home without pay to care for children who are sick or at home because of school and daycare closures. The CERB also applies to wage earners, as well as contract workers and self-employed individuals

who would not otherwise be eligible for Employment Insurance (EI) and are unable to work due to COVID-19. Workers who are still employed but are not receiving income because of disruptions to their work situation due to COVID-19, also qualify for the CERB.

As previously established, the CERB is available to workers who meet all of the following conditions:

- Live in Canada and are at least 15 years old
- Stopped working because of COVID-19 or are eligible for EI regular or sickness benefits
- Have not voluntarily quit their job
- Had income of at least \$5,000 in 2019 or in the 12 months prior to the date of their application.

### **CERB Eligibility Expansion**

On April 15, 2020, the Canadian government released new information regarding the expansion of the CERB program's eligibility criteria. To help more Canadians benefit from the CERB, the government is announcing changes to the eligibility rules to:

- Allow people to earn up to \$1,000 per month while collecting the CERB.
- Extend the CERB to seasonal workers who have exhausted their EI regular benefits and are unable to undertake their regular seasonal work as a result of the COVID-19 outbreak.
- Extend the CERB to workers who have recently exhausted their EI regular benefits and are unable to find a job or return to work because of COVID-19.
- These changes will be retroactive to March 15, 2020. More details will be posted on the application portal shortly.

Please visit the Canadian Government's website for detailed information regarding the CERB benefit, complete eligibility criteria and information on how to apply, <https://www.canada.ca/en/revenue-agency/services/benefits/apply-for-cerb-with-cra.html> or <https://www.canada.ca/en/services/benefits/ei/cerb-application.html>.

### **CANADA EMERGENCY BUSINESS ACCOUNT (CEBA)**

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 their operating costs during a period where their revenues have been temporarily reduced. Business owners can apply for support from the Canada Emergency Business Account through their banks and credit unions. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25 percent (up to \$10,000).

As previously established, the CEBA is available to Borrowers who meet the following requirements:

- The Borrower is a Canadian operating business in operation as of March 1, 2020.
- The Borrower has a federal tax registration.
- The Borrower has an active business chequing/operating account with the Lender, which is its primary financial institution. This account was opened on or prior to March 1, 2020 and was not in arrears on existing borrowing facilities, if applicable, with the Lender by 90 days or more as at March 1, 2020.
- The Borrower has not previously used the Program and will not apply for support under the Program at any other financial institution.
- The Borrower acknowledges its intention to continue to operate its business or to resume operations.
- The Borrower agrees to participate in post-funding surveys conducted by the Government of Canada or any of its agents.

### **CEBA Eligibility Expansion**

Yesterday, April 16, 2020, the government announced that they are expanding the Canada Emergency Business Account (CEBA) by adjusting eligibility criteria.

- Businesses who spent \$20,000-\$1.5M in total payroll in 2019 will be eligible to receive a loan through the CEBA. The loan can be used to help with operational costs and other immediate needs.
- This new range will replace the previous one of between \$50,000 and \$1 million, and will help address the challenges faced by small businesses to cover non-deferrable operating costs.

For further information regarding the Canada Emergency Business Account, eligibility criteria and how organizations can apply, please visit <https://ceba-cuec.ca/>.

### **CANADA EMERGENCY COMMERCIAL RENT ASSISTANCE PROGRAM (CECRA)**

The Government of Canada, also announced yesterday, April 16, 2020, the intent to introduce the Canada Emergency Commercial Rent Assistance (CECRA) program for small businesses that will seek to provide loans and/or forgivable loans to commercial property owners, who in turn, will lower or forgo the rent of small businesses for the months of April (retroactive), May, and June.

Implementation of the program will require a partnership with provincial and territorial governments who are responsible for property owner-tenant relationships.

More details are anticipated to be shared soon.

For more information about the federal government's announcement of the intended CECRA program, please visit <https://pm.gc.ca/en/news/news-releases/2020/04/16/prime-minister-announces-additional-support-small-businesses> or view the Canada Emergency Commercial Rent Assistance (CECRA) section within the full scope of the Economic Response Plan at <https://www.canada.ca/en/department-finance/economic-response-plan.html>

### NEW WAGE BOOST FOR ESSENTIAL WORKERS

The Government of Canada revealed on April 15, 2020, that it will be working with provinces and territories through a new transfer to cost-share a temporary top up to the salaries of low-income essential workers that the provinces and territories have deemed essential in the fight against COVID-19. The Government of Canada will cover a portion of the cost of providing temporary financial support to these low-income workers.

Through this new transfer, provinces and territories will be able to provide their low-income essential workers (those who earn less than \$2,500 per month), with a top up, thereby helping to support employers in keeping their workers on staff, while also ensuring fairness.

The Government will continue to work with provinces and territories on the delivery of this measure and further details will be released shortly.

For further details regarding the changes to the CERB and the announced Wage Boost for Essential Workers, please visit <https://www.canada.ca/en/department-finance/news/2020/04/expanding-access-to-the-canada-emergency-response-benefit-and-proposing-a-new-wage-boost-for-essential-workers.html>.

*Please note that this information bulletin is current to **April 17, 2020**. As this situation is evolving rapidly, we urge you to remain informed to the greatest extent you can. To understand how the information contained in this bulletin might apply in the context of your particular business or operation, please do not hesitate to contact us.*



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