

COVID 19 – BULLETIN #6: CERB, Wage Subsidy, and Community Support Updates

RELEASE DATE APRIL 2, 2020

The purpose of this bulletin is to provide updated information issued by the Canadian government regarding the Canada Emergency Response Benefit program and the Emergency Response Wage Subsidy plan. Community support measures that are being put in place by the Federal and BC Governments to aid Canadians during this challenging period, are also outlined below.

On April 1, 2020, the Canadian government launched a detailed website, to supply comprehensive information regarding the Canada Emergency Response Benefit (CERB) program and how to apply. Specific details of the plan continue to develop and we will continue to monitor. If in doubt about whether anything in this document is still current, please do not hesitate to contact us.

AS OF APRIL 2, 2020:

*This bulletin is current to the morning of **April 2, 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 WAGE SUBSIDY

The Federal Government previously announced that it will be enacting a Canada Emergency Wage Subsidy program for Canadian businesses, regardless of their size or employee count. This wage subsidy aims to prevent further job losses, encourage employers to re-hire workers previously laid off as a result of COVID-19, and help better position Canadian companies and other employers to more easily resume normal operations following the crisis. The following information was released on Monday, March 30, 2020:

- The government will provide a 75% wage subsidy on the first \$58,700 of an employee's income, up to \$847 per week.
- These measures will be retroactive to March 15, 2020
- The Canada Emergency Wage Subsidy will be available to businesses, charities and non-profits of all sizes and structures, whether they are currently operating or closed, that have experienced a revenue decreased of at least 30%.

Newly Released Details

On April 1, 2020, the Canadian Government announced additional details of the proposed Canada Emergency Wage Subsidy:

- The Canada Emergency Wage Subsidy 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.
- The Canada Emergency Wage Subsidy is in addition to, and does not replace, the previously announced 10% Temporary Wage Subsidy program.

New update April 3 - <https://www.canada.ca/en/department-finance/economic-response-plan/wage-subsidy.html>

Canada Emergency Wage Subsidy Application Process

Eligible employers would be able to apply through a Canada Revenue Agency online portal.

- The Minister of Finance has estimated that this portal will launch within a 3-6 week period.
- Employers would have to keep records demonstrating their reduction in arm's-length revenues and remuneration paid to employees.
- More details regarding how to apply for the program will be released soon.

For further information in regard to the 75% Canada Emergency Wage Subsidy plan, please visit <https://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>

and

<https://www.canada.ca/en/department-finance/economic-response-plan/wage-subsidy.html>

Canada Emergency Wage Subsidy and the Canadian Emergency Response Benefit

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.

Employers who are not eligible for the Canada Emergency Wage Subsidy would still be able to furlough employees who will receive up to \$2,000 a month.

TEMPORARY WAGE SUBSIDY

Those organizations that do not qualify for the Canada Emergency Wage Subsidy may continue to qualify for the previously announced wage subsidy of 10 per cent of remuneration.

For employers that are eligible for both the Canada Emergency Wage Subsidy 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 Canada Emergency Wage Subsidy in that same period.

The Temporary Wage Subsidy for Employers is a three-month measure that will allow eligible employers to reduce the amount of payroll deductions required to be remitted to the Canada Revenue Agency (CRA). The subsidy is equal to 10% of the remuneration employers 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.

Eligible employers for the Temporary Wage Subsidy:

- Are a(n):
 - Individual (excluding trusts),
 - Partnership (visit URL below for further details),
 - Non-profit organization,
 - Registered charity, or
 - Canadian-controlled private corporation (including a cooperative corporation) eligible for the small business deduction;
- Have an existing business number and payroll program account with the CRA on March 18, 2020; and
- Pay salary, wages, bonuses, or other remuneration to an eligible employee.

For more information on the 10% Temporary Wage Subsidy, please visit <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>.

FOR EMPLOYEES/INDIVIDUALS

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 (CERB). 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.

How is CERB different from EI?

The CERB is specifically designed to fill in the gaps that surround the current EI system. It will be easier to apply for, benefits will arrive sooner, and more people will qualify. If you are already receiving EI or sickness benefits, then *do not* apply for the CERB.

If you have already applied for EI and your application is still being processed, you do not have to reapply. If you are still unemployed after the four-month period, people who qualify for EI can still access the standard EI benefits.

What's new:

CERB Eligibility

To be eligible to receive the Canada Emergency Response Benefit (CERB), the worker:

- Must reside in Canada;
- Be least 15 years of age or older at the time of application;
- Have stopped or will stop working for reasons related to covid-19, or are eligible for Employment Insurance regular or sickness benefits;
- Have earned a minimum of \$5,000 in income within the last 12 months or in the 2019 calendar year from one or more of the following sources:
 - Employment income
 - Self-employment income
- Is currently or expect to be without employment or self-employment income for at least 14 consecutive days in the initial four-week period.
 - If you are submitting for your first benefit period, that you have stopped or will stop working for at least 14 consecutive days within the 4 week benefit period; or
 - If you are filing for a subsequent benefit period, you did not receive any employment or self employment income for the period for which you previously claimed the benefit and do not expect to receive any employment or self employment income in the 4 week benefit period
- You have not quit your job voluntarily
- You are not receiving Employment Insurance benefits for the same period
- You must ensure that you have only filed one application for CERB

The Benefit is only available to individuals who stopped work as a result of reasons related to COVID-19. If you are looking for a job but haven't stopped working because of COVID-19, you are not eligible for the Benefit.

Should you apply for CERB or EI benefits?

Starting April 6, 2020, there will be a single portal to assist you with the application process. Until then, Canadians who are eligible for Employment Insurance and who have lost their job can continue to [apply for Employment Insurance](#).

If you applied for EI regular or sickness benefits on March 15, 2020 or later, your claim will be automatically processed through the Canada Emergency Response Benefit. However, if you became eligible for EI regular or sickness benefits prior to March 15th, your claim will be processed under the pre-existing Employment Insurance rules.

How do I apply for CERB

Applications for the CERB will begin the week of Monday, April 6, 2020. There are two ways to apply:

- Online with CRA My Account
- Over the phone with an automated phone service

Although you can't apply yet, you can get ready now to ensure your application will be as easy and quick as possible. You can register for your CRA My Account and direct deposit in advance of the application launch.

To apply, you will need to provide:

- Your personal contact information
- Your Social Insurance Number
- Confirmation that you meet the eligibility requirements

You may be asked to provide additional documentation to verify your eligibility at a future date.

Benefits are expected to start within 10 days of you submitting an application. There is no waiting period. Payments will be made through direct deposit or by cheque. You will be paid more quickly if you choose direct deposit. Your payments will be retroactive to your eligibility date.

Please visit the Canadian Government's website for detailed information regarding the CERB benefit 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>.

COVID-19 COMMUNITY SUPPORT MEASURES

Canada Child Benefit

The Canada Child Benefit (CCB) is administered by the Canada Revenue Agency (CRA). It is a tax-free monthly payment made to eligible families to help with the cost of raising children under 18 years of age. The CCB may include the child disability benefit and any related provincial and territorial programs.

In response to the COVID-19, the Government of Canada is providing an extra \$300 per child through the CCB for 2019-20. This will mean approximately \$550 more on average. This benefit will be delivered as part of the scheduled CCB payment in May. Those who already receive the Canada Child Benefit do not need to re-apply.

Special Goods and Services Tax Credit Payment

The Government of Canada is providing a one-time special payment by early May through the Goods and Services Tax credit for low- and modest-income families. The average additional benefit will be close to \$400 for single individuals and close to \$600 for couples. There is no need to apply for this payment. If you are eligible, you will get it automatically.

Extra Time to File Income Tax Returns

The Government of Canada is also deferring the filing due date for the 2019 tax returns of individuals. For individuals the return filing due date will be deferred until June 1, 2020. Canada will also allow any new income tax balances due, or instalments, to be deferred until after August 31, 2020 without incurring interest or penalties.

Note: if you expect to receive benefits under the Goods and Services Tax credit or the Canada Child Benefit, do not delay filing your 2019 return to ensure that your entitlements are properly determined.

Student Loan Extensions

As of March 30, the repayment of Canada Student Loans and Canada Apprentice Loans has been automatically suspended for six months, until September 30, 2020, and no interest will accrue.

PROVINCIAL MEASURES BRITISH COLUMBIA

The Province of British Columbia also providing similar payment freezes on their student loan programs.

B.C. Emergency Benefit for Workers

The B.C. Emergency Benefit for Workers will provide a one-time \$1,000 payment to people who lost income because of COVID-19. B.C. residents who receive federal Employment Insurance, or the new federal Canada Emergency Response Benefit are eligible. Applications for the one-time payment will open soon.

BC Hydro, Customer Crisis Fund - Utility bill deferrals

The Customer Crisis Fund is a program that offers support for residential customers who are facing disconnection of their BC Hydro service, despite attempting to make payments.

You can apply for a grant towards an overdue balance (arrears) and the amount of the grant will vary depending on your amount owing. Maximum grants available are \$600 for customers who heat their homes with electricity, and \$500 for customers with non-electrically heated homes (e.g. natural gas heat).

For more information on the Customer Crisis Fund and eligibility, please visit

<https://app.bchydro.com/accounts-billing/bill-payment/ways-to-pay/customer-crisis-fund.html>.

Mortgage and Other Debt Repayment Deferrals

Canada's largest banks and many credit unions are offering mortgage deferrals of up to six months for people who are struggling to make ends meet during this crisis. Canada is also in talks with banks to find ways to alleviate the burden of credit-card interest rates for Canadians facing financial stresses caused by COVID-19.

ADDITIONAL RESOURCES

Public Health Agency of Canada: Awareness Resources

<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection/awareness-resources.html>

COVID-19 BC Support App and Self-Assessment Tool

<https://bc.thrive.health/>

*Please note that this information bulletin is current to **April 2, 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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