

## COVID 19 – Federal and Provincial Support for Canadians

**RELEASE DATE MARCH 19, 2020**

The purpose of this information bulletin is to provide additional COVID-19 information to employers and address some of the most common questions we have received. This bulletin provides information on Employment Insurance benefits, the federal stimulus package of \$82 billion, and new provincial job-protected leaves of absence.

It is current to the morning of **March 19, 2020**, but the pandemic and the responses of federal and provincial governments continue to evolve, and this may impact the accuracy of the information in this bulletin. If in doubt about whether anything in this document is still current, please do not hesitate to contact us.

### **AS OF MARCH 20, 2020:**

*Please note that while we continue to monitor the situation, the situation remains very fluid and legislative and government rules and policies are ever changing. These policies are subject to revision with the introduction of additional government guidelines.*

### **FEDERAL STIMULUS PACKAGE**

The Federal Government has announced that they will be enacting a \$82 billion stimulus package to support and stabilize the Canadian economy during this challenging period. This will include:

- \$27 billion in direct support to individuals and businesses.
- A deferral of \$55 billion in tax revenue.

It is important to note that much of what has been announced is still in development and that this is the first stage of plans, additional measures will be announced as necessary. For further information in regard to the specific measures that were announced by Prime Minister Justin Trudeau and Finance Minister, Bill Morneau, please visit The Government of Canada's [Economic Response Plan](#) website to see the full scope of proposed implementations.

### **Emergency Care Benefit**

The federal government is creating a new Emergency Care Benefit that will provide individuals with bi-weekly payments of up to \$900 for up to 15 weeks. This benefit is expected to be made available in April 2020. This “flat-payment Benefit” will be administered through the Canada Revenue Agency.

- New benefit to provide income support to:
  - Workers, including the self-employed, who are sick or in quarantine 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 COVID19, but do not qualify for EI sickness benefits.
- 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.

The following details have also been announced:

- Applicants will be able to apply at home (CRA MyAccount, My Service Canada Account, or by calling a toll-free number) and receive payment by direct deposit;
- Eligibility will be determined based on an attestation that the individual meets the eligibility requirements and will not require medical documentation.

*We will monitor for additional updates on this benefit as we expect that certain details discussed by the Finance Minister but not addressed directly in the Department's written communication will be clarified in the near future.*

### Emergency Support Benefit

- New benefit to provide any worker who loses their job as a result of COVID-19's impact and does not qualify for EI.
  - Will be administered through the Canada Revenue Agency.
  - \$5 billion has been set aside for this particular benefit.
  - The intent is to provide 14 weeks support at a comparable level to the EI program.
  - Expected to become effective in April, 2020.

### Temporary Wage Subsidy for Small Businesses

The federal government is also making a Temporary Wage Subsidy available to small businesses.

- Temporary Wage Subsidy will be made available to small businesses that are experiencing revenue losses to help prevent lay-offs.
- Eligible businesses will receive a temporary wage subsidy for a period of three months, equivalent to 10% of wages payable to all employees for 3 months, up to a maximum of \$1,375 per employee and up to a maximum of \$25,000 per employer.
- Businesses are able to benefit immediately from this support by reducing their remittances of income tax withheld on their employees' remuneration.

### EDC and BDC Assistance

The federal government announced that \$10 billion in support is available through the Export Development Canada (EDC) and Business Development Bank of Canada (BDC) Business Credit Availability Program, largely for use by 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. Again, we anticipate further details from the federal government in the near future.

The Finance Minister also highlighted the impact this public health emergency was having on certain sectors, including air transportation as well as oil and gas. The Finance Minister stated that EDC and BDC are developing a tailored set of tools for these and other sectors. He announced that the federal government is working with the Alberta Government to help oil and gas workers in Alberta (i.e. significant investment in orphan well remediation). He indicated that details would be forthcoming.

### Other Measures

Above, we have provided details of the more significant measures announced by the federal government, from the perspective of employers. A number of other measures were also introduced that demonstrate the federal government's commitment to providing significant and tangible assistance to workers and businesses to help them get through this period of uncertainty.

For additional information about these other measures, please refer to the following link: [Canada's COVID-19 Economic Response Plan: Support for Canadians and Businesses – Department of Finance Canada](#)

### EMPLOYMENT INSURANCE BENEFITS

Workers who have had their income affected by the Covid-19 pandemic are able to apply for Employment Insurance benefits. Under the Employment Insurance Act, there are two types of Employment Insurance benefits that are potentially available to employees, EI Sickness Benefits and EI Regular Benefits. To access either of these supports, an employee must have worked the required number of hours.

The Federal Government is also offering support through a Top-up Program and a Work Sharing Program.

Please find information pertaining to each of these benefits and programs below.

#### EI Sickness Benefits and Regular Benefits

If an employee has been diagnosed with Covid-19 or has been directed to self quarantine, they may be eligible for EI Sickness Benefits.

- The benefits provide up to 15 weeks of income replacement (55% of earnings up to a maximum of \$573 per week).
- In response to this public health emergency, the standard one-week EI waiting period has been waived, as has the requirement for a medical certificate, for individuals directed to self-quarantine.
- Individuals who are unable to complete a claim for EI sickness benefits due to quarantine may apply later in order to have their EI claim backdated to cover the period of delay.

EI Regular benefits are available to workers who lose their job through no fault of their own, this would include individuals who lose work due to a shortage of work or mass workforce reductions in response to Covid-19.

- The amount an individual will receive is dependent on the unemployment rates in their region and the number of insurable hours they have worked in the last 52 weeks or since their last claim.
- EI Regular benefits may provide between 14 and 45 weeks of income replacement 55% of earnings, up to a maximum of \$573 per week.

### EI Top-Up – SUB plan

A Supplemental Unemployment Benefit (SUB) plan is another option for employers to implement to aid employees if they are experiencing a temporary shortage or stoppage of work, illness or quarantine. The SUB plan is a top-up paid by the employers to individuals accessing EI. There are both registered and unregistered Top-up Plans.

- If an employer registers their SUB plan with Service Canada, the top-up payments will not be deducted from the employee's EI benefits (pursuant to subsection 37(1) of the EI Regulations).
- If an employer does NOT register their SUB plan, payments made will be considered earnings and will offset the employee's EI payments.

For further information regarding registered SUB plans and specific requirements please visit the Government of Canada's [Supplemental Unemployment Benefit Program](#) page.

### Work Sharing

Private sector employers may also wish to consider applying for the Federal Work-Sharing Program, which is an adjustment program designed to help employers and employees avoid layoffs when there is a temporary reduction in the normal level of business activity that is beyond the control of the employer. The measure provides income support to employees eligible for EI benefits who work a temporarily reduced work week while their employer recovers.

In response to the COVID-19 pandemic, the maximum duration of the Work-Sharing Program period for affected employers has been extended from 38 weeks to 76 weeks. Please note that the process of applying for the Work-Sharing Program can be a complex one and must be made at least 30 days in advance of the effective date. Employers wishing to utilize this program are therefore encouraged to begin the application process as soon as practicable. Further details can be found in Private sector employers may also wish to consider applying for the Federal Work-Sharing Program, which is an adjustment program designed to help employers and employees avoid layoffs when there is a temporary reduction in the normal level of business activity that is beyond the control of the employer. The measure provides income support to employees eligible for EI benefits who work a temporarily reduced work week while their employer recovers.

Further details can be found on the Government of Canada's [Work-Sharing Overview](#).

## PROVINCIAL MEASURES IN RESPONSE TO COVID-19

### Ontario

The Ontario government has announced its intention to provide job-protected leave to employees who:

- Are in isolation or quarantine due to COVID-19.
- Have been directed by an employer to not work.
- Need to provide care to a person arising from COVID-19 pandemic, such as of school or day care closures.

Employees will not be required to provide medical documentation to access the leave and the leave would be retroactive to January 25, 2020. It is currently unclear whether the leave will be unpaid and whether individuals will have to have worked a certain number of hours to qualify.

The Ontario Government is also reviewing the access and eligibility to emergency assistance through the Ontario Works program to support individuals impacted by the coronavirus and are not able to meet their basic living expenses.

### British Columbia

The BC government has expressed its intention to create a new leave under the Employment Standards Act to protect workers impacted by COVID-19, however has not yet shared any further details.

### Alberta

The Alberta government has created and implemented a COVID-19 Leave.

- The leave provides 14 days of unpaid leave to an employee.
- The leave is retroactive to March 5, 2020.
- The leave applies to employees under quarantine, including any self-isolation and self-quarantine as a result of COVID-19, as may be recommended or directed by the Alberta Chief Medical Officer.

This was announced as a paid leave and employees do not have to work a minimum number of days nor do they have to provide their employers with medical documentation in order to be eligible for the leave.

### Saskatchewan

Saskatchewan has created and implemented a new Public Health Emergency Leave.

- The leave is only accessible if the Saskatchewan Chief Medical Officer orders a public health emergency or orders that self-isolation is required.
  - The Chief Medical Officer has not yet enacted these orders.
- If the order is made, employees will be entitled to an unpaid leave for the duration of the order provided:
  - they have been directed to self-isolate by an employer, qualified medical practitioner, the government, or the chief medical officer.
  - They are required to provide care and support for an affected child.
  - Employees do not have to work a minimum number of weeks to access the leave nor do they have to provide medical documentation.

### Quebec

Quebec is providing a Temporary Aid for Workers Program for workers who are not receiving compensation from their employer, do not have private insurance and are not covered by government programs such as EI.

- The lump-sum amount granted to an eligible person is \$573 per week, for a period of 14 days of isolation.
- If justified by your state of health, the coverage period for an eligible person could be extended to a maximum of 28 days.

### Yukon

An economic stimulus package is to be put in place to support local workers and businesses impacted by COVID-19. Aspects of the stimulus package will:

- Support Yukon workers through a COVID-19 related 14-day isolation with paid sick leave.
- Reduce the negative impact of COVID-19 by establishing a grant program to address certain expenses related to cancelled events.
- Reimburse Yukon employers who are providing additional paid sick leave to employees for COVID-related illnesses.
- Stimulate business and the tourism industry by waiving, reimbursing or delaying government fee collection, such as airport landing fees.

Please note that this information bulletin is current to **March 19, 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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