

Steps On How to Access Canada's COVID-19 Economic Relief For Individuals & Businesses



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GOALS FOR TODAY

- Provide you with a summarized version of the government's response plan
- Clarify some of the confusion
- Provide actionable steps you can take today
- Answer some of your burning questions
- Provide you access to helpful resources that is easy to understand

CANADA'S COVID-19 ECONOMIC RESPONSE PLAN: SUPPORT FOR CANADIANS AND BUSINESSES



RELIEF PROGRAMS FOR BUSINESSES

Summary of Federal Government Programs for Businesses

- 75% Wage subsidy
- The New Canada Emergency Business Account
- Co-Lending Program for Small and Medium-sized Enterprises
- New Loan Guarantee for Small and Medium-Sized Enterprises
- GST/HST extensions
- Extension of corporate tax payments
- Work-Sharing programs



75% WAGE SUBSIDY

75% wage subsidy for qualifying businesses, for up to 3 months, retroactive to March 15, 2020

Who Is Eligible	Eligibility Criteria	How/When To Apply	Benefits
<ul style="list-style-type: none">• Qualifying Businesses that keep and return workers to the payroll• Available to non-profit and charities	<ul style="list-style-type: none">• Must have reduced earnings of at least 30% as a result of COVID-19	<ul style="list-style-type: none">• Application expected to open April 1 or shortly after	<ul style="list-style-type: none">• Govt to subsidize up to 75% of the first \$58,700 of payroll cost• It is backdated to March 15, 2020• There will be serious consequences for those that game the subsidy

CANADA EMERGENCY BUSINESS ACCOUNT

\$25 billion program to provide interest-free loans of up to \$40,000 to small businesses and not-for-profit

Who Is Eligible	Eligibility Criteria	How/When To Apply	Benefits
<ul style="list-style-type: none">• Small businesses and not-for-profit	<ul style="list-style-type: none">• Evidence of payroll of \$50,000 to \$1 million in 2019	<ul style="list-style-type: none">• Application expected to open April 1 or shortly after• Apply with your bank• Most banks will use simple online application process	<ul style="list-style-type: none">• \$40K interest-free loan to help offset operating costs• 25% of loan forgiven if repaid on or before Dec 31/2022

CO-LENDING PROGRAM FOR SME'S

\$20 billion program to provide additional liquidity support for Canadian businesses

Who Is Eligible	Eligibility Criteria	How/When To Apply	Benefits
<ul style="list-style-type: none">• Small and medium-sized businesses	<ul style="list-style-type: none">• At the minimum, must have a business plan that is viable• Your financial needs must exceed the level of support that your financial institution is able to provide	<ul style="list-style-type: none">• This program will roll out in the three weeks after March 27• Apply with your bank• Banks will work with BDC and EDC to fund	<ul style="list-style-type: none">• Provides more than \$20 billion of additional support• Businesses may obtain incremental credit amounts up to \$5 to \$6.25 million per loan

GUARANTEE ON LOANS

\$20 billion program to guarantee new operating credit and cash flow term loans to support Canadian SME's

Who Is Eligible	Eligibility Criteria	How/When To Apply	Benefits
<ul style="list-style-type: none">Canadian exporting companies	<ul style="list-style-type: none">Canadian exporters, both new and existing customers of EDC	<ul style="list-style-type: none">For businesses new to EDC, call 1-800-229-0575For existing EDC customers, contact your account managerTo learn more, go to https://www.edc.ca/en/about-us/newsroom/edc-covid-business-support.html	<ul style="list-style-type: none">EDC providing bank guarantees on loans up to \$6.25 million per business

GST/HST PAYMENT DEFERRAL

The Government is deferring GST/HST remittances to June 30, 2020 to provide additional support for Canadian businesses

Who Is Eligible	Eligibility Criteria	How/When To Apply	Benefits
<ul style="list-style-type: none">• Businesses that are GST/HST registered	<ul style="list-style-type: none">• For monthly filers, this will apply to the Feb, Mar, & Apr 2020 periods• For quarterly filers, the Jan to Mar periods• For annual filers, to an annual return or instalment due in Mar, Apr, or May 2020	<ul style="list-style-type: none">• No application is required	<ul style="list-style-type: none">• GST/HST payment deferral• No interest and penalties will accumulate

INCOME TAX PAYMENT DEFERRAL

The Government is allowing businesses to defer, until August 31, 2020, the payment of any income tax amounts that become owing on or after March 18 and before September 2020

Who Is Eligible	Eligibility Criteria	How/When To Apply	Benefits
<ul style="list-style-type: none">All businesses that pay income tax	<ul style="list-style-type: none">You can defer payment of income tax amounts that become owing on or after March 18 and before September 2020Relief applies to tax balances due, as well as instalments, under Part I of the <i>Income Tax Act</i>	<ul style="list-style-type: none">No application is required	<ul style="list-style-type: none">Income tax payment deferralNo interest and penalties will accumulate

EXTENDING WORK-SHARING PROGRAM

The Government is extending the maximum duration of the Work-Sharing program from 38 weeks to 76 weeks

Who Is Eligible	Eligibility Criteria	How/When To Apply	Benefits
<ul style="list-style-type: none">• A private or publicly-held company or not-for-profit organization• Full-time employees who are eligible to receive employment insurance benefit	<ul style="list-style-type: none">• Employers must have been in business in Canada year-round for at least two years• Must demonstrate that the shortage of work is temporary and beyond their control• Demonstrate a recent decrease in business activity of approximately 10% and submit and implement a recovery plan	<ul style="list-style-type: none">• Application is completed online by email based on instructions provided online• https://www.canada.ca/en/employment-social-development/services/work-sharing/apply.html	<ul style="list-style-type: none">• Maximum duration of program extended from 38 weeks to 76 weeks• Income support to employees eligible for EI benefits

SPECIAL BDC COVID-19 INITIATIVE

Summary of BDC's unique initiatives to support businesses during this crisis

- Unique Working Capital initiative for small businesses
- Shortened timeline for repayment
- Preferential interest rate
- Minimal qualification criteria
 - Brief description of funds needed and impact of COVID-19 on business
 - 6 months cash flow forecast
 - Interim financial statements with prior year comparable



RELIEF PROGRAMS FOR INDIVIDUALS

Summary of Federal Government Programs for Individuals

- The new Canada Emergency Response Benefit (CERB)
- Increasing the Canada Child Benefit
- Special Goods and Services Tax credit payment
- Improved access to Employment Insurance sickness benefits
- Extra time to file income tax returns
- A new Indigenous Community Support Fund
- A moratorium on the repayment of Canada Student Loans



CANADA EMERGENCY RESPONSE BENEFIT (CERB)

New benefit that replaces the previously announced Emergency Care Benefit and the Emergency Support Benefit

Who Is Eligible	Eligibility Criteria	How/When To Apply	Benefits
<ul style="list-style-type: none">• All workers who must stop work, are sick, quarantined or taking care of someone who is sick due to COVID-19• Working parents who must stay home to care for children that are sick or need care due to school closures• Workers still employment but are not being paid due to shortage of work• Self-employed individuals, including contract workers, who would not otherwise be eligible for EI	<ul style="list-style-type: none">• Application criteria is pending, however, at the minium, you may be required to show some proof of income prior to the COVID-19 pandemic• You can apply if you're not currently receiving EI regular and sickness benefits	<ul style="list-style-type: none">• Accessible through a secure web portal starting in early April or via automated telephone line or via a toll-free number• You can expect to receive the CERB payments within 10 days of application• It will be paid every four weeks and will be available from March 15, 2020 until October 3, 2020	<ul style="list-style-type: none">• Provides up to \$2,000 per month taxable benefit for up to 4 months

INCREASING CANADA CHILD BENEFITS

The Government is providing an extra \$300 per child through the Canada Child Benefit (CCB) for 2019-20

Who Is Eligible	Eligibility Criteria	How/When To Apply	Benefits
<ul style="list-style-type: none">Families with income up to \$31,120 with qualifying children. Phased reductions for income over \$31,120	<ul style="list-style-type: none">Income based	<ul style="list-style-type: none">If you currently receive CCB, no action required. But file early so that your benefits are not interrupted.Otherwise, apply here Apply - Canada child benefit (CCB)	<ul style="list-style-type: none">\$300 extra per child for 2019 - 2020Available in May 2020

SPECIAL GST CREDIT PAYMENT

The Government is providing a one-time special payment by early May through the GST credit for low and modest income families

Who Is Eligible	Eligibility Criteria	How/When To Apply	Benefits
<ul style="list-style-type: none">Families with income up to \$37,789. Phased reductions for income over \$37,789	<ul style="list-style-type: none">Income based	<ul style="list-style-type: none">If you currently receive this benefit, no further action is required. But file early so that your benefits are not interrupted.	<ul style="list-style-type: none">\$400 for individuals and \$600 for couplesAvailable in early May, 2020

IMPROVED ACCESS TO EI SICK BENEFITS

The Government will waive the requirement to provide a medical certificate to access EI sickness benefits

Who Is Eligible	Eligibility Criteria	How/When To Apply	Benefits
<ul style="list-style-type: none">Individuals eligible for Employment Insurance benefits	<ul style="list-style-type: none">You are unable to work for medical reasonsYour regular earnings from work have decreased by more than 40% for at least a weekYou accumulated 600 insured hours of work in the 52 weeks before your claim	<ul style="list-style-type: none">Gather your supporting documents and apply onlineApply at https://www.canada.ca/en/services/benefits/ei/ei-sickness/apply.html	<ul style="list-style-type: none">Receive 55% of your earnings up to a maximum of \$573 a weekUp to 15 weeks of financial assistance

CANADA STUDENT LOANS REPAYMENT

Effective March 30, the Government is placing a six-month interest-free moratorium on the payment of Canada Student Loans

Who Is Eligible	Eligibility Criteria	How/When To Apply	Benefits
<ul style="list-style-type: none">All student loan borrowers	<ul style="list-style-type: none">If you currently make payments on student loans, you are eligible	<ul style="list-style-type: none">No application is requiredEffective March 30, 2020	<ul style="list-style-type: none">6-month waiver on payment of student loanNo interest will accrue during the 6 months

TAX FILING DEADLINE EXTENSIONS

Individuals - Due dates

- Filing date for 2019 tax year - extended to Jun 1, 2020
- Payment date for 2019 tax year - extended to Sep 1, 2020

Self-employed and their spouses/partners - Due dates

- Filing date for 2019 tax year - unchanged, Jun 15, 2020
- Payment date for 2019 tax year - extended to Sep 1, 2020

Corporations - Due dates

- Filing date for current tax year - unchanged, 6 months after tax year end
- Payment date for 2019 tax year - extended to Sep 1, 2020. Applies to balances and instalments due on or after Mar 18 and before Sep 1, 2020

Payroll remittances - Due dates

- Payment date - unchanged, please visit CRA's payroll page for more information on filing deadlines



TAX FILING DEADLINE EXTENSIONS

Trusts - Due dates

- Filing date for current tax year - extended to May 1, 2020
- Payment date for current tax year - extended to September 1, 2020. Applies to balances and instalments due on or after March 18 and before September 1, 2020

Charities - Due dates

- Filing date - extended to December 31, 2020. Applies to charities with Form T3010 due between March 18, 2020 and December 31, 2020
- Payment date - Not Applicable

Part XIII Non-Resident Tax - Due dates

- Filing date for 2019 NR4 information form - extended to May 1, 2020
- Payment date - unchanged, the 15th of each month following an amount paid or credited by residents of Canada to non-resident persons



SUPPORT FROM OTHER LEVELS OF GOVERNMENT

Government of Ontario and many municipalities are providing support for Canadians

- Electricity Relief program - Ontario
- WSIB premium and reporting deferral until August 31, 2020 - Ontario
- Up to \$200 per child for child care relief to help families offset daycare cost - Ontario
- 60-day grace period for utilities and property tax payments for all - City of Toronto
- Free public transit in the Region of Peel
- Deferral of both residential and commercial property tax due dates by 90 days - Mississauga



SUPPORT FROM CANADIAN BANKS

All major Canadian banks are offering mortgage payment deferral and other banking solutions

- Mortgage payment deferral for up to 6 months
- Easy to qualify by answering only a few questions in some cases
- Access via phone (may deal with long wait times) or via an online platform or by calling your account manager
- Deferral of up to 3 months of payments on unsecured and secured term loans
- Deferral of up to 3 months of payments on lines of credit and credit cards



OTHER IMPORTANT UPDATES

- **Suspending audit activities:** CRA will not initiate contact for audits, including no new audits; no requests or information related to existing audits; no reassessments will be issued
- **Suspending collections on new debt:** Collection activities on new debt will be suspended until further notice, and flexible payment arrangements will be available
- **Requirement to pay (RTP):** Banks and employers do not need to comply or remit on existing RTPs during this time



OTHER IMPORTANT UPDATES...Cont'd

- **Service Canada Centres closed:** All in-person Service Canada Centres are closed as of March 26. Online applications and services remain available
- **Bank of Canada rate cut:** On March 27, the Bank of Canada lowered its target for the overnight rate by 50 basis points to 0.25%.
- **Insured Mortgage Purchase Program:** The government will purchase up to \$150 billion of insured mortgage pools through the Canada Mortgage and Housing Corporation to inject liquidity in the financial system.

The logo for Service Canada, featuring the word "Service" in a large serif font above a horizontal line, and the word "Canada" in a similar serif font below the line. A small Canadian flag is positioned to the right of the "Canada" text.

SUGGESTED ACTION STEPS

- Assess your cash flow situation and determine how much relief you need in the next 3 to 6 months
- Get a list of all regular monthly payments you make and determine who to call to seek payment deferral
- Review the various government relief programs and determine which one you qualify for
- Review eligibility criteria, gather all supporting documents and apply immediately
- Open a CRA My Account - individuals and businesses
- Consider doing a business continuity assessment and determine how you want to lead your organization through this crisis



LEADERSHIP IN CRISIS

“The secret of crisis management is not good vs. bad, it’s preventing the bad from getting worse.” - Andy Gilman

Your 3-Step Plan to Lead in Chaotic Times (Michael Hyatt)

- **Recognize**
 - Acknowledge the challenge; Watch your inputs and notice your response; Remember your resources
- **Reassess**
 - Access your vulnerabilities; Mitigate your risks; Explore your opportunities
- **Respond**
 - Summarize your plan; Involve your leadership; Communicate to your stakeholders

WHEN WRITTEN IN CHINESE, THE WORD

CRISIS

IS COMPOSED OF TWO CHARACTERS

ONE REPRESENTS

DANGER



AND THE OTHER REPRESENTS

OPPORTUNITY



John F. Kennedy

celebquote.com

ADDITIONAL RESOURCES

Coronavirus - Significance and Impact

Social Distancing vs. COVID-19 (really simple visual article):

<https://www.washingtonpost.com/graphics/2020/world/corona-simulator/>

REALLY worthwhile 20-30 minutes article for people who aren't scientists:

<https://medium.com/@tomaspueyo/coronavirus-the-hammer-and-the-dance-be9337092b56>

GMS Summary of Key Government Relief for Individuals and Businesses

www.gmscpa.ca/covid19 (link to this presentation will also be here)

Federal Government - Program details

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

Government of Ontario - Key initiatives

https://news.ontario.ca/mof/en/2020/03/ontarios-action-plan-responding-to-covid-19.html?utm_source=ondemand&utm_medium=email&utm_campaign=o





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