

Federal relief measures guide

Government of Canada's economic response to COVID-19

Current as of March 26, 2020



Support for individuals

Measure	Who it's for	Implementation and how to apply	Benefit	More info
<p>Canada Emergency Response Benefit Act (CERB)</p> <p>The CERB is intended to be a simpler and more accessible combination of the previously announced Emergency Care Benefit and Emergency Support Benefit.</p>	<p>Workers who must stop working due to COVID-19 and do not have access to paid leave or other income support.</p> <p>Workers who are sick, quarantined or taking care of someone who is sick with COVID-19.</p> <p>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.</p> <p>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.</p> <p>Wage earners and self-employed individuals, including contract workers, who would not otherwise be eligible for Employment Insurance.</p>	<p>May apply for payment for any four-week period falling within the period beginning March 15, 2020 and ending on October 3, 2020.</p> <p>No application may be made after December 2, 2020.</p> <p>The portal for accessing the CERB would be available in early April.</p> <p>Canadians would begin to receive their CERB payments within 10 days of application. The CERB would be paid every four weeks and be available from March 15, 2020 until October 3, 2020.</p>	<p>The taxable benefit would provide \$2,000 a month for up to four months for workers who lose their income as a result of the COVID-19 pandemic.</p>	<p>Maximum number of weeks for which income support payments may be made is 16 weeks (4 x 4-week periods).</p> <p>A person who is at least 15 years of age, who is resident in Canada and who, for 2019 or in the 12-month period preceding the day on which they make an application for CERB has a total income of at least \$5,000.</p> <p>Individuals whether employed, self-employed, or contract workers cease to work for reasons related to COVID-19 for at least 14 consecutive days within the 4-week period provided they have not received certain types of income, benefits or allowance during that period.</p> <p>Workers will not be eligible for the CERB if they have quit their employment voluntarily.</p>
<p>Employment Insurance (EI)</p> <p>EI eligible Canadians who have lost their job can continue to apply.</p>	<p>If you were recently laid off or have reduced hours and qualify for Employment Insurance benefits, you can submit your request today.</p>	<p>EI eligible Canadians who have lost their job can continue to apply here: https://srv270.hrdc-drhc.gc.ca/AW/introduction?GoC_TemplateCulture=en-CA</p> <p>Canadians who have already applied for EI after March 18, 2020 due to COVID-19 and whose application has not yet been processed would not need to reapply under the new CERB.</p> <p>Canadians who are eligible for EI regular and sickness benefits would still be able to access their normal EI benefits, if still unemployed, after the 16-week period covered by the CERB.</p>	<p>More information:</p> <p>Regular benefits https://www.canada.ca/en/services/benefits/ei/ei-regular-benefit.html</p> <p>Sick benefits https://www.canada.ca/en/services/benefits/ei/ei-sickness.html</p>	<p>Waiving of the one-week waiting period for individuals claiming EI sickness benefits.</p> <p>No requirement for medical certificate when claiming sickness benefits due to quarantine.</p> <p>If application for EI sickness benefit has already been completed and you want to waive the one-week period, call 1-833-381-2725. It is important to note that no other request will be actioned on this phone line.</p> <p>Canadians who are already receiving EI regular and sickness benefits as of March 25, 2020 would continue to receive their benefits and should not apply to the CERB.</p> <p>If their EI benefits end before October 3, 2020, they could apply for the CERB once their EI benefits cease.</p>

Measure	Who it's for	Implementation and how to apply	Benefit	More info
<p>EI Work-Sharing (WS) program enhancements</p> <p>The program provides EI benefits to eligible employees who agree to reduce their normal working hours and share the available work while their employer recovers.</p>	<p>For employers and their employees willing to participate in the program as long as the employer can demonstrate a decrease of at least 10% in sales and/or production levels directly or indirectly related to the impact of COVID-19.</p>	<p>COVID-19 temporary special measures are effective March 15, 2020 to March 14, 2021.</p> <p>In general, program is for eligible employers and their employees where the employer can demonstrate a recent decline in business activity of at least 10%, and a temporary decrease of employee hours of work in the range of 10% to 60%. Note that there are multiple eligibility criteria that must be met for both the employer and the employees. Temporary measures are available where the decrease is directly or indirectly related to the impact of COVID-19.</p>	<p>Extend the qualifying weeks for the EI WS program from 38 to 76.</p> <p>Waive the mandatory waiting period between agreements.</p> <p>Ease the recovery plan requirements.</p>	<p>Temporary special measures: https://www.canada.ca/en/employment-social-development/corporate/notices/coronavirus.html#work-share</p> <p>General information about the WS program: https://www.canada.ca/en/employment-social-development/services/work-sharing.html</p> <p>Applicant guide: https://www.canada.ca/en/employment-social-development/services/work-sharing/guide-applicant.html</p>
<p>GST Credit (GSTC)</p>	<p>Anyone who already receives the GSTC based on the 2018 taxation year.</p>	<p>There is no need to apply for this payment. If you are eligible, you will get it automatically.</p> <p>Will automatically receive in the same manner you receive your current payment.</p>	<p>This one-time payment is set to pay an additional amount of \$290 per person or \$580 per couple and \$153 per child.</p> <p>This one-time GST credit begins phasing out at 5 cents for every dollar of family income earned in 2018 over \$37,789.</p>	<p>One-time special payment scheduled for early May.</p>
<p>Enhanced Canada Child Benefit (CCB)</p>	<p>Anyone who already receives the CCB based on the 2018 taxation year.</p>	<p>Those who already receive the CCB do not need to re-apply.</p> <p>Will automatically receive in the same manner you receive your current payment.</p>	<p>This one-time payment is set to pay an additional amount of \$300/child.</p>	<p>Families that receive the CCB will get the extra \$300 per child as a single payment in May.</p>
<p>Canada student loan payments</p> <p>Apprentice loan payments</p>	<p>Anyone who currently pays Canada student loans or apprentice loans.</p>	<p>During the period from March 30, 2020 to September 30, 2020.</p> <p>No need to apply as all repayments, both interest and principal, will be suspended including pre-authorized payments.</p> <p>All payments will resume on or after September 30, 2020.</p>	<p>A six-month principal and interest-free moratorium on the repayment of Canada student loans and apprentice loans for all individuals currently in the process of repaying these loans.</p>	<p>Check your provincial student loan program, as most provinces are following the Canada student loan moratorium.</p>
<p>Canada Mortgage & Housing Protection Program</p> <p>Offering tools to lenders that can assist homeowners who may be experiencing financial difficulty.</p>	<p>Anyone who holds a mortgage.</p>	<p>Effective immediately.</p> <p>Tools to include payment deferral, loan re-amortization, capitalization of outstanding interest arrears and other eligible expenses, and special payment arrangements.</p>	<p>Please contact your bank and/or lender – it will be on a case-by-case basis.</p> <p>Canada's large banks have confirmed that this support will include up to a 6-month payment deferral for mortgages, and the opportunity for relief on other credit products.</p>	<p>For more information on:</p> <p>Dealing with mortgage payment difficulties: https://www.cmhc-schl.gc.ca/en/finance-and-investing/mortgage-loan-insurance/the-resource/dealing-with-mortgage-payment-difficulties</p> <p>Mortgage deferrals: https://www.cmhc-schl.gc.ca/en/finance-and-investing/mortgage-loan-insurance/the-resource/covid19-understanding-mortgage-payment-deferral</p>

Measure	Who it's for	Implementation and how to apply	Benefit	More info
Personal income tax return and payment deferral	<p>Tax return deferral – Individuals who file a personal tax return with the normal due date of April 30, 2020 (excludes self-employed and certain deceased returns).</p> <p>Tax payment deferral – Individuals with personal income tax payments (including 2020 tax instalments) that become owing on or after March 18, 2020 and before September 1, 2020.</p>	<p>Tax return deferral – no application required.</p> <p>Tax payment deferral – no application required.</p> <p>No penalties or interest will apply to any tax returns filed or payments made on or before the extended due dates.</p>	<p>Personal tax return due date deferred from April 30, 2020 to June 1, 2020.</p> <p>Personal tax payment due dates deferred to September 1, 2020.</p>	<p>If you expect to receive benefits under GSTC or Canada Child Benefit you are encouraged to NOT delay the filing to ensure your entitlements for 2020-21 are properly determined.</p> <p>The criteria for this deferral is not established in the Income Tax Act. The administration of this measure will be based on Ministerial discretion through CRA relying on policy announcements made by the Government and CRA.</p>
Trust tax return and payment deferral	<p>Tax return deferral – Anyone who files a trust tax return with the normal due date of March 30, 2020 (the normal deadline is 90 days after December 31 – since 2020 is a leap year, the normal deadline is March 30, 2020).</p> <p>Tax payment deferral – Persons with trust income tax payments (including 2020 tax instalments) that become owing on or after March 18, 2020 and before September 1, 2020.</p>	<p>Tax return deferral – no application required.</p> <p>Tax payment deferral – no application required.</p> <p>No penalties or interest will apply to any tax returns filed or payments made on or before the extended due dates.</p>	<p>Trust tax return due date deferred from March 30, 2020 to May 1, 2020.</p> <p>Trust tax payment due dates deferred to September 1, 2020.</p>	<p>The criteria for this deferral is not established in the Income Tax Act. The administration of this measure will be based on Ministerial discretion through CRA relying on policy announcements made by the government and CRA.</p>
Minimum Registered Retirement Income Fund (RRIF) withdrawals	Those required to withdraw minimum amounts from their RRIF for 2020.	<p>Effective immediately.</p> <p>Contact your financial advisor.</p>	Required minimum withdrawals is reduced by 25% for 2020.	Similar rules would apply to individuals receiving variable benefit payments under a defined contribution Registered Pension Plan.

Support for businesses

Measure	Who it's for	Implementation and how to apply	Benefit	More info
Corporate income tax return and payment deferral	<p>Tax return deferral – Corporate tax return due date is currently NOT DEFERRED.</p> <p>Tax payment deferral – Persons with corporate income tax payments (including 2020 tax instalments) that become owing on or after March 18, 2020 and before September 1, 2020.</p>	<p>Tax payment deferral – no application required.</p> <p>Defer any payments without any penalties or interest.</p>	<p>Corporations who owe income tax balances or income tax instalments on or after March 18, 2020 and before September 1, 2020 have until September 1, 2020 to remit these amounts.</p> <p>No interest or penalties will accumulate on these amounts during this period.</p>	<p>The criteria for this deferral is not established in the Income Tax Act. The administration of this measure will be based on Ministerial discretion through CRA relying on policy announcements made by the government and CRA.</p>
Business Credit Availability Program (BCAP)	Largely targeted to small and medium-sized businesses.	The program will further support financing in the private sector through the Business Development Bank of Canada (BDC) and Export Development Canada (EDC).	<p>More information at BDC and EDC: https://www.bdc.ca/en/pages/special-support.aspx?special-initiative=covid19</p> <p>https://www.edc.ca/en/campaign/coronavirus-covid-19.html</p> <p>Will allow BDC and EDC to provide more than \$10 billion of additional support to businesses.</p>	The near-term credit available to farmers and the agri-food sector will also be increased through Farm Credit Canada. https://www.fcc-fac.ca/en/covid-19.html

Measure	Who it's for	Implementation and how to apply	Benefit	More info
Business wage subsidy	<p>Eligible employers – Individuals (excluding trusts); partnerships (all members – CCPCs, individuals, partnerships or reg. charities); non-profit organizations; registered charities; and Canadian controlled private corporations (CCPCs).</p> <p>Eligible employer must employ one or more eligible employees (employed in Canada); have an existing business number and payroll account with CRA on March 18, 2020; and pay salary, wages, bonuses, or other remuneration to an eligible employee.</p>	<p>Applies for the period beginning on March 18, 2020 and ends on June 19, 2020.</p> <p>Manual subsidy calculation performed by employer, and monthly remittance to CRA reduced by amount of calculated subsidy.</p>	<p>Up to 10% of an employees' wage for a period of 3 months, up to a maximum of \$1,375 per employee and \$25,000 per employer.</p> <p>Employer maximum not shared within an associated group.</p> <p>CCPCs are not eligible if associated taxable capital employed in Canada for the preceding taxation year is \$15 million or more.</p> <p>CCPCs must have a small business deduction (SBD) limit greater than NIL for its last taxation year that ended before the start of the eligible period (this requirement ignores the reduction of the SBD resulting from adjusted aggregate investment income (AAIL)).</p>	<p>Subsidy reduces remittances of Federal, Provincial and territorial income tax withheld on the employees' remuneration.</p> <p>Subsidy does not reduce remittance of Canada Pension Plan or Employment Insurance.</p> <p>Questions and answers from CRA: https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html#h2</p> <p>Tax Flash – Temporary wage subsidy for employers: https://www.bakertilly.ca/en/btc/publications/taxflash-temporary-wage-subsidy-for-employers</p> <p>To help Canadian businesses and their advisors calculate this subsidy, Tax Templates Inc. has created a free worksheet: https://www.taxtemplates.ca/wage-subsidy</p>
Credit and liquidity support	Will provide long-term stable funding to banks and mortgage lenders.	The government announced on March 16, 2020 that it is launching an Insured Mortgage Purchase Program (IMPP). Under this program, the government will purchase up to \$50 billion of insured mortgage pools through the Canada Mortgage and Housing Corporation (CMHC).	IMPP program information: https://www.cmhc-schl.gc.ca/en/finance-and-investing/insured-mortgage-purchase-program	<p>Through financial Crown corporations, Bank of Canada, OSFI, CMHC and commercial lenders (e.g., Domestic Stability Buffer, Insured Mortgage Purchase Program, Banker's Acceptance Purchase Facility).</p> <p>The Office of the Superintendent of Financial Institutions (OSFI) is lowering the Domestic Stability Buffer requirement for domestic systemically important banks by 1.25% (to 1.00%) of risk weighted assets, effective immediately. This action will increase the lending capacity of Canada's large banks and support the supply of credit to the economy during the period of disruption related to COVID-19. The release of the buffer will support in excess of \$300 billion of additional lending capacity.</p>

Other support

Support for Indigenous communities	Contact Indigenous Services Canada	\$305 million for a new distinctions-based Indigenous Community Support Fund will be provided to address immediate needs in First Nations, Inuit and Métis Nation communities.
Support for people experiencing homelessness	Learn more about the Reaching Home Initiative	The Reaching Home initiative will be provided with \$157.5 million to continue to support people experiencing homelessness during the COVID-19 outbreak. The funding could be used for a range of needs such as purchasing beds and physical barriers for social distancing and securing accommodation to reduce overcrowding in shelters.
Support for women's shelters and sexual assault centres including on reserve	More information will follow.	Supporting women and children fleeing violence, by providing up to \$50 million to women's shelters and sexual assault centres to help with their capacity to manage or prevent an outbreak in their facilities.

Additional information

Employment Insurance – Record of Employment	For employers with employees directly affected by COVID-19.	<p>When the employee is sick or quarantined, use code D (Illness or injury) as the reason for separation (block 16). Do not add comments.</p> <p>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.</p> <p>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.</p>		
Canada Labour Code	Entitlement to leave	Every employee is entitled to and shall be granted a leave of absence from employment of up to 16 weeks if the employee is unable or unavailable to work for reasons related to COVID-19. An employee who intends to take a leave of absence, as soon as possible, give written notice to the employer of the reasons for the leave and the length of the leave that they intend to take.		
	Prohibition	An employer is prohibited from dismissing, suspending, laying off, demoting or disciplining an employee because the employee intends to take or has taken a leave of absence due to COVID-19.		
	Benefits	The pension, health and disability benefits and the seniority of an employee who is absent from work due to a leave of absence due to COVID-19, accumulate during the entire period of leave and the contributions by both the employee and employer are required to continue payments.		
Digital signature – CRA	For individuals and corporations who wish to file their tax return through an electronic filer.	<p>Applies March 18, 2020 to August 31, 2020.</p> <p>CRA will accept an electronic signature from a taxpayer whose identity has been verified by the filer as long as the electronic signature is provided in one of the following ways:</p> <ul style="list-style-type: none"> • Taxpayer sends the information return, including the electronic signature using the electronic address most recently provided by the taxpayer to the electronic filer; • Taxpayer signs digitally, in the presence of the electronic filer, e.g., using a stylus or finger on a tablet; or provided through an access controlled, secured electronic location such as a secure website, that is accessible to the taxpayer only because the location of the secure website has been made known to the taxpayer and access has been granted by the filer. 	CRA will recognize a Form T183 or T183CORP that contains an electronic signature as having met the signature requirements of the Income Tax Act.	<p>CRA link for additional information: https://www.canada.ca/en/revenue-agency/services/e-services/e-services-businesses/efile-electronic-filers/efile-news-program-updates.html</p>

The preceding information is for educational purposes only and is subject to change without notice. As it is impossible to include all situations, circumstances and exceptions, a further review should be done by a qualified professional.

No individual or organization involved in either the preparation or distribution of this content accepts any contractual, tortious, or any other form of liability for its contents or for any consequences arising from its use.

Baker Tilly Canada's independent firms provide value-added audit, tax and advisory solutions through established local expertise and global reach.

Baker Tilly Canada Cooperative is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.

Now, for tomorrow

