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## COVID-19 – Federal Government -Support for Businesses

As the pandemic situation is still evolving, new programs and supports may be announced in the future.

Website highlighting useful resources for businesses:

<https://www.tradecommissioner.gc.ca/campaign-campagne/ressources-entreprises-COVID-19-business-resources.aspx?lang=eng>

### 1. \$82 Billion COVID-19 Economic Aid Package

- **\$27 billion** in direct support to Canadian workers and businesses
- **\$55 billion** to meet liquidity needs of Canadian businesses and households through tax deferrals to help stabilize the economy
- Combined, this \$82 billion in support represents more than **3 per cent** of Canada's GDP

### 2. Deferral of Income Tax

- Allows all businesses to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after March 18<sup>th</sup> and before September 2020.
- The due date for filing individual tax returns has been extended to June 1, 2020.
- Taxpayers will have until August 31, 2020 to pay any 2019 income tax amounts owed.
- This relief would apply to tax balances due, as well as instalments, under Part I of the *Income Tax Act*.
- No interest or penalties will accumulate on these amounts during this period. This measure will result in businesses having more money available during this period.

### 3. Small Businesses 10% Wage Subsidy

- To support businesses that are facing revenue losses and to help prevent lay-offs, the government is proposing to provide eligible small employers a temporary wage subsidy for a period of three months.
- The subsidy will be equal to **10%** of remuneration paid during that period, up to a maximum subsidy of **\$1,375 per employee** and \$25,000 per employer.

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- Businesses will be able to benefit immediately from this support by reducing their remittances of income tax withheld on their employees' remuneration.
- Employers benefiting from this measure will include corporations eligible for the small business deduction, as well as non-profit organizations and charities.
- This will help employers keep people on their payroll and help Canadians keep their jobs.

**4. Business Credit Availability Program (BCAP)**

- The government will establish a **\$10 billion** credit facility to lend money to businesses under stress as a result of the spreading COVID-19 pandemic
- The program will support financing through the Business Development Bank of Canada (BDC) and Export Development Canada (EDC).
- Under this program, BDC and EDC will enhance their cooperation with private sector lenders to coordinate financing and credit insurance solutions for Canadian businesses.
- BDC link:
  - i. <https://www.bdc.ca/en/pages/special-support.aspx?special-initiative=covid19>
- EDC link:
  - i. <https://www.edc.ca/en/campaign/coronavirus-covid-19.html>

○ **BDC Requirements - Business Credit Availability Program (BCAP)**

**Terms & Conditions**

- Working Capital loans up to \$2MM; with 12 months interest only payments
- 36-month term to a 60% balloon;
- Pricing: Floating Only (Base – 1.75%) approximately 3.30%\*

**Documentation Required**

- Most recent three years of accountant prepared year-end financial statements;
- Most recent interim financial statements (if year-ends are more than 3 months old) with comparisons to the previous year's interim period (if available);
- Projections and a cash flow forecast (a 6-month cash flow forecast may be most applicable); The purpose is to understand the company's true cash needs for the next six months.

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- An organizational chart to the beneficial ownership level (i.e. shareholder level).

5. Support for employers and workers through the Work-Sharing program

- **Work-Sharing (WS)** 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 Employment Insurance benefits who work a temporarily reduced work week while their employer recovers.
- Introduction of temporary special measures that extend the maximum duration of Work-Sharing agreements from 38 weeks to 76 weeks across Canada for those businesses affected by the downturn in business due to COVID-19 and for the forestry and steel and aluminum sector
- <https://www.canada.ca/en/employment-social-development/services/work-sharing/temporary-measures-forestry-sector.html>

6. Changes to the Employment Insurance sickness benefits

- Employment Insurance (EI) sickness benefits provide up to 15 weeks of income replacement and is available to eligible claimants who are unable to work because of illness, injury or quarantine, to allow them time to restore their health and return to work.
- Canadians quarantined can apply for Employment Insurance (EI) sickness benefits.

**Service Canada is ready to support Canadians affected by COVID-19 and placed in quarantine, with the following support actions:**

- The one-week waiting period for [EI sickness benefits](#) will be waived for new claimants who are quarantined so they can be paid for the first week of their claim.
- This temporary measure will be enacted for a minimum of six months.
- Establishing a new dedicated toll-free phone number to support enquiries related to waiving the [EI sickness benefits](#) waiting period
- Priority EI application processing for EI sickness claims for clients under quarantine
- People claiming EI sickness benefits due to quarantine will not have to provide a medical certificate
- Contact the new dedicated toll-free phone number if you are in quarantine and seeking to waive the one-week [EI sickness benefits](#) waiting period so you can be paid for the first week of your claim:
- Telephone: 1-833-381-2725 (toll-free)

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7. Canada Account Limit

- The government is changing the Canada Account so that the Minister of Finance would now be able to determine the limit of the Canada Account in order to deal with exceptional circumstances.
- The Canada Account is administered by Export Development Canada (EDC) and is used by the government to support exporters when deemed to be in the national interest.
- This will allow the government to provide additional support to Canadian companies through loans, guarantees or insurance policies during these challenging times.
- <https://www.edc.ca/en/about-us/corporate/disclosure/reporting-transactions/canada-account.html>

8. Insured Mortgage Purchase Program

- Launch of an Insured Mortgage Purchase Program to purchase up to **\$50 billion** of insured mortgage pools through the Canada Mortgage and Housing Corporation (CMHC).
- As announced on March 16, this will provide stable funding to banks and mortgage lenders and support continued lending to Canadian businesses and consumers.
- CMHC stands ready to further support liquidity and the stability of the financial markets through its mortgage funding programs as necessary. The Government will enable these measures by raising CMHC's legislative limits to guarantee securities and insure mortgages by \$150 billion each.

9. Public Works and Government Services Canada – COVID-19 Supplier Purchasing Program

- In support of the Governments [whole-of-government response to Coronavirus disease \(COVID-19\)](#), the Government is seeking to procure additional goods from suppliers
- If you are a supplier which can provide items from the list, or other items not listed, please complete the [submission form for Coronavirus disease \(COVID-19\) products and services](#).
  - i. Disposable N95 masks
  - ii. Disposable surgical masks
  - iii. Nitrile gloves
  - iv. Vinyl gloves
  - v. Gowns
  - vi. Bottles of hand sanitizer
  - vii. Other prevention products

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- Services
  - i. Guard / security services
  - ii. Nursing services
  - iii. Food services
  - iv. Laundry services
  - v. Accommodation maintenance services
  - vi. Personal services
  - vii. IT support services
  - viii. Other services
- For more information, please contact:  
Martin Montreuil: [martin.montreuil@tpsgc-pwgsc.gc.ca](mailto:martin.montreuil@tpsgc-pwgsc.gc.ca) / Tel: 613-793-3594

**10. National Research Council of Canada (NRC) - COVID-19 Challenge Program**

- The **COVID-19 Challenge Program** is composed of teams of government, academic, and private sector partners, seeking to address a range of medium-term needs of the Public Health Agency of Canada and Health Canada.
- These medium-term needs include; personal protective equipment, sanitization products, diagnostic and testing products, therapeutics, and disease tracking technology.
- The most promising solutions will be selected for procurement, working with Innovative Solutions Canada.

**11. Regional Development Agencies (RDAs) - FedDev Ontario**

- Regional Development Agencies, including FedDev Ontario, are applying a **three-month deferral** for companies in repayment. This deferral takes effect on April 1, 2020.
- Tourism operators, small- or medium- sized business and organizations that have received FedDev Ontario may be eligible to receive additional funding and/or flexible arrangements.
- FedDev Ontario is also offering access to federal funding to help businesses impacted by the sudden shift in the economy and who require pressing assistance.
  - i. [https://www.feddevontario.gc.ca/eic/site/723.nsf/eng/h\\_02567.html?OpenDocument](https://www.feddevontario.gc.ca/eic/site/723.nsf/eng/h_02567.html?OpenDocument)

**12. Measures Enacted by the Bank of Canada**

- The Bank of Canada also took a series of actions to support the Canadian economy during this period of economic stress, enhance the resilience of the Canadian financial system, and help ensure that

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financial institutions can continue to extend credit to both households and businesses.

- This included cutting the interest rate to **0.75%** as a proactive measure in light of the negative shocks to Canada's economy arising from the COVID-19 pandemic and the recent sharp drop in oil prices.
- The Bank has broadened eligible collateral for its **Term Repo Facility**, under which the central bank temporarily buys treasury bills from dealers to help maintain funding conditions by providing a backstop to regular private funding.
- **Bankers Acceptance Purchase Facility** -- Purchase of securities linked to credit lines of small and medium-sized businesses. The first operation is planned for March 23.
- **Standing Liquidity Facility** -- This is the Bank of Canada's overnight credit facility for the country's payment system. Bank of Canada said Monday it will allow a greater percentage of collateral to be in the form of non-mortgage loans.
- **Canada Mortgage Bonds** -- The country's mortgage fund program lets approved financial institutions pool eligible insured mortgages into marketable securities, guaranteed by the country's housing agency. The Bank announced today it will target purchases of up to **\$500 million** per week "as market conditions warrant"

### 13. Additional Support for Businesses

- The Office of the Superintendent of Financial Institutions (OSFI) announced it **is lowering the Domestic Stability Buffer by 1.25%** of risk-weighted assets, effective immediately. This action will allow Canada's large banks to inject **\$300 billion** of additional lending in to the economy.
- Credit and liquidity support 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) in the range of **\$500 Billion**

## COVID-19 – Federal Government - Support for Individuals

### 14. Temporarily Boosting of Canada Child Benefit payments

- Additional assistance to families with children by temporarily boosting the Canada Child Benefit (CCB) payment amounts, only for the 2019-20 benefit year, by \$300 per child.
- This measure would deliver almost **\$2 billion** in extra support.

### 15. Emergency Care Benefit - Support to Workers who Must Stay Home

- Emergency Care Benefit of up to **\$900 bi-weekly** for up to **15 weeks** to provide income support to workers who must stay home and do not have access to paid sick leave.
- *This measure could provide up to \$10 billion to Canadians, and includes:*
  - Workers, including the self-employed, who are sick, quarantined, or who have been directed to self-isolate but do not qualify for Employment Insurance (EI) sickness benefits.
  - Workers, including the self-employed, who are taking care of a family member who is sick with COVID-19, such as an elderly parent or other dependents who are sick, but do not qualify for EI sickness benefits.
  - EI-eligible and non EI-eligible working parents who must stay home without pay because of children who are sick or who need additional care because of school closures.

### 16. Mortgage Default Management Tools

- The Canada Mortgage and Housing Corporation (CMHC) and other mortgage insurers offer tools to lenders that can assist homeowners who may be experiencing financial difficulty.
- The Government, through CMHC, is providing increased flexibility for homeowners facing financial difficulties to defer mortgage payments on homeowner CMHC-insured mortgage loans.
- CMHC will permit lenders to allow payment deferral beginning immediately.

### 17. Emergency Support Benefit - Canada Revenue Agency

- Emergency Support Benefit delivered through the Canada Revenue Agency to provide up to **\$5 billion** in support to workers who are not eligible for EI and who are facing unemployment.

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18. Goods and Services Tax (GST) Credit - Special Top-Up Payment

- Provides additional assistance to individuals and families with low and modest incomes with a special top-up payment under the Goods and Services Tax (GST) credit.
- Government is proposing to provide a one-time special payment by early May 2020 through the Goods and Services Tax credit (GSTC).
- The average boost to income for those benefitting from this measure will be close to \$400 for single individuals and close to \$600 for couples.
- This measure would inject **\$5.5 billion** in the economy.

19. Extension of Tax Filing Deadline

- The tax filing deadline for individuals has been extended to June 1, and allows all taxpayers to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after March 18<sup>th</sup> and before September 2020.
- This relief would apply to tax balances due, as well as instalments, under Part I of the *Income Tax Act*.
- No interest or penalties will accumulate on these amounts during this period. This measure will result in households having more money available during this period.

20. Registered Retirement Income Funds (RRIFs) – Minimum Withdrawals

- The reduction of minimum withdrawals from Registered Retirement Income Funds (RRIFs) by **25 per cent for 2020** in recognition of volatile market conditions and their impact on many seniors' retirement savings.

21. Deferral of Canada Student Loan Payments

- The implementation a **six-month, interest-free**, moratorium on Canada Student Loan payments for all individuals who are in the process of repaying these loans.

22. \$305 million Indigenous Community Support Fund

- **\$305 million** for a new distinctions-based Indigenous Community Support Fund, to address immediate needs in First Nations, Inuit, and Métis Nation communities.



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### Federal Government - Economic Response Plan – Cost and Implementation

Measure	2020-2021 Cost/Impact	Implementation
Emergency Care Benefit	Up to \$10 billion	Early April *requires Royal Assent
Emergency Support Benefit	Up to \$5 billion	Early April *requires Royal Assent
GST Credit	\$5.5 billion	By Early May *requires Royal Assent
Enhanced Canada Child Benefit	\$1.9 billion	May * requires Royal Assent
Temporary Business Wage Subsidy	\$3.8 billion	Immediately Supporting legislation to follow
Canada Student Loan Payments	\$190 million	Early April * requires Royal Assent
Support for Indigenous Communities	\$305 million	April *requires Royal Assent
Support for people experiencing homelessness (through Reaching Home)	\$157.5 million	April *requires Royal Assent

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<b>Support for women's shelters and sexual assault centres including on reserve</b>	\$50 million	April *requires Royal Assent
<b>Lower Registered Retirement Income Fund Minimum Withdrawal Amounts</b>	\$495 million	Immediately Supporting legislation to follow
<b>Total</b>	<b>\$27.4 billion</b>	
<b>Other supports</b>		
<b>Flexibility for individual and corporate taxpayers (tax payment deferral until September)</b>	\$55 billion	Immediately
<b>Business Credit Availability Program (BCAP) through BDC and EDC</b>	\$10 billion +	Immediately
<b>Credit and liquidity support 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)</b>	In the range of \$500 billion	Immediately

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## COVID-19 – Provincial Government – Support for Businesses

- The Provincial government is reaching out on a daily basis to leaders at businesses big and small, including at our financial institutions, as well as unions, to ensure we have the latest information, and that there is an open line of communication as the government works to address COVID-19's impact on the economy.

### 23. Municipal Emergency Act, 2020 - Supply Chain - Temporary Changes to Municipal Noise By-Laws

- The new legislation ensures that for the near future, the delivery of goods to Ontario's businesses and consumers isn't impacted by municipal noise by-laws that may unintentionally be impeding such deliveries when they are most urgently needed.
- The new legislation will waive local noise by-laws allowing delivery trucks to operate overnight.
- These temporary changes will allow businesses to transfer goods between their warehouses and retail stores 24 hours a day, seven days a week.

### 24. Commercial Vehicles - Extension of validation Periods for Driver, Vehicle and Carrier Products

- New regulations include extensions for driver licences, licence plate validation, Ontario Photo Cards, and **Commercial Vehicle Operator Registration certificates**, among others.
- The Ministry of Transportation is also automatically extending the due dates for medical or vision reports
- This extension will be in place until such time that, based on the advice of Ontario's Chief Medical Officer of Health and public health officials, the current situation improves.

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## COVID-19 – Provincial Government – Support for Individuals

- The Province is working with partners across the healthcare system, from public health to hospitals and community care, to do everything possible to contain the virus and ensure that the system is prepared to respond to any scenario.

### 25. Province Launches First Phase of the Learn at Home Portal

- Launch of the first phase of [Learn at Home](#), a new online portal that will provide resources for families so students can continue their education while schools are closed due to the ongoing COVID-19 situation.
- Learn at Home offers all students high-quality, made-in-Ontario math and literacy resources, created by Ontario-certified educators, in both English and French.
- The at-home activities offered provide quick and easy access to some of Ontario's best online **kindergarten to grade 12** learning resources produced by Ontario College of Teachers (OCT) Educators.
- For students who do not have access to a computer, work is underway, in conjunction with school boards, to provide the necessary technology to everyone who needs it.
- Ontario public schools will be closed from **March 14 through to April 5, 2020** to contain the spread of COVID-19. Similarly, private schools and licensed child care centres will also be closed until **April 5, 2020**.

### 26. Extension of validation Periods for Driver, Vehicle and Carrier Products, Services and Health Cards

- Ministry of Transportation and Ministry of Health, in cooperation with the Ministry of Government and Consumer Services and ServiceOntario, is extending the validity period of driving products, services and health cards.
- These changes reduce the need for in-person visits to ServiceOntario, International Registration Plan offices and DriveTest centres during the COVID-19 outbreak, helping to promote social distancing and contain the spread of the virus.
- These new regulations include extensions for driver licences, licence plate validation, Ontario Photo Cards, and Commercial Vehicle Operator Registration certificates, among others.
- Expiring and expired health cards will continue to provide access to health services.
- The Ministry of Transportation is also automatically extending the due dates for medical or vision reports

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- This extension will be in place until such time that, based on the advice of Ontario's Chief Medical Officer of Health and public health officials, the current situation improves.

**27. Ontario's First Stage of the COVID-19 Emergency Relief Fund**

- Ontario is investing up to **\$304 million** to enhance the province's response to COVID-19 by providing the following:
  - I. **\$100 million for increased capacity in hospitals** to assist with the effective treatment of COVID-19 patients both in critical care and medicine beds.
  - II. **\$50 million for more testing and screening through public health**, including additional funding to support extraordinary costs incurred to monitor, detect and contain COVID-19 in the province. This includes contact tracing, increased laboratory testing capacity and home testing.
  - III. **\$50 million to further protect frontline workers, first responders and patients** by increasing the supply of personal protective equipment and other critical supplies and equipment to protect them.
  - IV. **\$25 million to support frontline workers** working in COVID-19 assessment centres, including the creation of a new fund to provide respite care, child care services and other supports as they are needed.
  - V. **\$50 million for long-term care homes** to support 24/7 screening, additional staffing to support infection control and additional supplies.
  - VI. **\$20 million for residential facilities in developmental services, gender-based services and protective care for children and youth** to support additional staffing, respite for caregivers impacted by school closures, personal protective equipment and supplies and transportation costs to minimize client exposure and to support social distancing, as well as additional cleaning costs.
  - VII. **\$5 million to protect seniors in retirement homes** through increased infection control and active screening procedures.
  - VIII. **\$4 million for Indigenous communities** to support transportation costs for health care professionals and the distribution of critical supplies.

**28. Job Protection for Workers during the COVID-19 Pandemic**

- To protect Ontario's workers during the COVID-19 pandemic, the province is introducing legislation to protect Ontario's workers.
- *The **Employment Standards Amendment Act (Infectious Disease Emergencies), 2020**, provides job-protected leave for employees unable to work for the following reasons:*

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- i. The employee is under medical investigation, supervision or treatment for COVID-19.
  - ii. The employee is acting in accordance with an order under the Health Protection and Promotion Act.
  - iii. The employee is in isolation or quarantine in accordance with public health information or direction.
  - iv. The employer directs the employee not to work due to a concern that COVID-19 could be spread in the workplace.
  - v. The employee needs to provide care to a person for a reason related to COVID-19 such as a school or day-care closure.
  - vi. The employee is prevented from returning to Ontario because of travel restrictions.
- The legislation makes it clear that an employee is not be required to provide a medical note if they take the leave.
  - The measures are retroactive to January 25, 2020, the date that the first presumptive COVID-19 case was confirmed in Ontario.
  - Many workers will be eligible for Employment Insurance sickness benefits.
  - The legislation does not apply to people in sectors that fall under federal jurisdiction, including employees working for banks, airports, inter-provincial and international rail, and federal crown corporations

**29. Additional Support for Ontario Residents**

- The Province is reviewing current access and eligibility to emergency assistance which is available through the Ontario Works (OW) program to support individuals who are impacted by the coronavirus and who are not able to meet their basic living expenses.
- The Province has halted new evictions, and postponed enforcement of eviction orders in order to protect Ontario residents affected by the COVID-19 pandemic.

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## Sources

- Office of the Prime Minister of Canada / Premier Ministre du Canada
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- Government of Ontario News Room
  - <https://news.ontario.ca/newsroom/en>
- Department of Finance Canada
  - <https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html>
- Bank of Canada, feds take more steps to ease credit market strains
  - <https://www.bnnbloomberg.ca/bank-of-canada-boosts-support-for-credit-funding-markets-again-1.1406919>
- The 2019 Novel Coronavirus (COVID-19)
  - <https://www.ontario.ca/page/2019-novel-coronavirus>