

New Federal Programs in Response to COVID-19

(Adapted from the Ontario Federation of Agriculture)

Canada's \$5 billion increase to Farm Credit Canada's lending capacity

Overview: Farm Credit Canada (FCC) received an enhancement to its capital base that will allow for an additional \$5 billion in lending capacity. Focus will be on assisting the industry in addressing cash flow challenges so that businesses can remain focused on business-critical functions.

Who is eligible: Farmers, agri-businesses, and food processors

More details: www.fcc-fac.ca/en/covid-19.html

How to apply: Customers facing financial pressure are encouraged to contact their FCC relationship manager or the FCC Customer Service Centre at 1-888-332-3301 to discuss their individual situation and options.

Canada's Advance Payment Program

Overview: The federal government announced up to \$173 million in loan repayment deferrals under the Advance Payments Program (APP) to help farmers with an APP loan due by April 30.

Who is eligible: Farmers with APP loans

More details: Check with your APP administrator

Canada's Income Tax Payment Deferral

Overview: All businesses can defer, until August 31, 2020, the payment of any income tax amounts that become owing on or after March 18 and before September 2020. This relief would apply to tax balances due, as well as installments, under Part I of the Income Tax Act. No interest or penalties will accumulate on these amounts during this period.

Who is eligible: All businesses owing income taxes

More details: www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-filing-payment-dates.html

How to apply: Check the above website for extended filing dates.

Canada's Work-Sharing Program

Overview: Work-Sharing 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. It provides income support to employees eligible for Employment Insurance

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benefits who work a temporarily reduced work week while their employer recovers. Effective March 15, 2020 to March 14, 2021, and not limited to one specific sector or industry, the government is introducing temporary special measures, including the extension of the maximum possible duration of an agreement from 38 weeks to 76 weeks.

Who is eligible: The measure provides income support to employees eligible for Employment Insurance benefits who work a temporarily reduced work week.

More details: www.canada.ca/en/employment-social-development/services/work-sharing.html

Canada Emergency Wage Subsidy (CEWS)

Overview: The Canada Emergency Wage Subsidy (CEWS) is a temporary wage subsidy for employers that aims to prevent further job losses, encourage employers to re-hire workers previously laid off as a result of COVID-19. It will cover up to 75% of an employee's salary on the first \$58,700 earned – amounting to up to \$847 a week. Funds will be retroactive to March 15. If able, employers can pay employees the remaining 25% of salaries. For employers that are eligible for both the CEWS and the 10% Temporary Wage Subsidy (noted below) 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 CEWS in that same period. New hires are eligible.

Who is eligible (REVISED April 8, 2020): Individuals, taxable corporations, partnerships consisting of eligible employers, non-profit organizations and registered charities, may be eligible if they see a drop of at least 15 per cent of their revenue in March 2020 and 30 per cent for the following months.

More details: www.canada.ca/en/department-finance/news/2020/04/the-canada-emergency-wage-subsidy.html

How to apply: CEWS applications will be accepted through the CRA's My BusinessAccount portal as well as a web-based application. Employers must keep records demonstrating their reduction in arm's-length revenues and remuneration paid to employees.

Canada's 10% Temporary Wage Subsidy for Employers

Overview: Organizations that do not qualify for the Canada Emergency Wage Subsidy (noted above) may qualify for the previously announced wage subsidy of 10 per cent of remuneration paid from March 18 to before June 20, 2020. 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 you 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.

Who is eligible: Eligible employers are individuals, partnerships, non-profit organizations, charities, or Canadian-controlled private corporation (including a cooperative corporation), who are eligible for the

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small business deduction: and 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.

More details: www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html

How to apply: You do not need to apply for the subsidy. However, the subsidy must be calculated manually, either by you or whoever is responsible for making your payroll remittances. The CRA will not automatically calculate the allowable subsidy. Once you have calculated your subsidy, you can reduce your current payroll remittance of federal, provincial, or territorial income tax that you send to the CRA by the amount of the subsidy.

Canada Emergency Response Benefit (CERB)

Overview: To support workers and help businesses keep their employees, the government has proposed legislation to establish the Canada Emergency Response Benefit (CERB). This 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. The CERB would replace the previously announced Emergency Care Benefit and Emergency Support Benefit. The CRA will be administering the program along with Service Canada, which handles Employment Insurance (EI).

Who is eligible: The CERB would cover Canadians who have lost their job, are sick, quarantined, or taking care of someone who is sick with COVID-19, as well as working parents who must stay home without pay to care for children who are sick or at home because of school and daycare closures. The CERB would apply to wage earners, as well as contract workers and self-employed individuals who cease working for reasons related to COVID-19 for at least 14 consecutive days within the four-week period in which they apply for the payment, and for those who would not otherwise be eligible for Employment Insurance (EI). Only Canadians who have seen their income reduced to zero qualify for CERB. Workers who have seen a significant reduction in income but are still bringing in some money do not qualify. There will be no need to submit a medical certificate to receive CERB.

More details: www.canada.ca/en/department-finance/news/2020/03/introduces-canada-emergency-response-benefit-to-help-workers-and-businesses.html

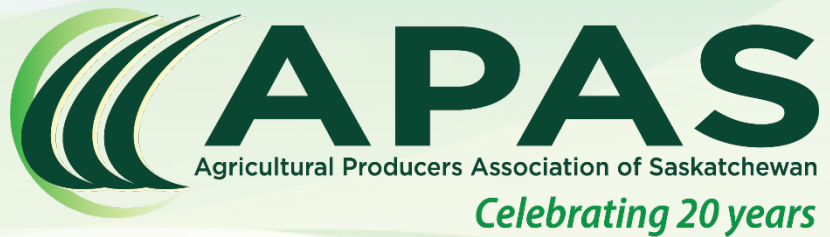
How to apply: Online access will start accepting applications on April 6. Application website and FAQ: www.canada.ca/en/services/benefits/ei/cerb-application.html

Canada's Business Credit Availability Program (BCAP)

Overview: The BCAP will support access to financing for Canadian businesses in all sectors and regions. Although no limit exists for a single business, the BDC, EDC and participating financial institutions will continue to employ internal risk management practices for granting credit. Through BCAP, Business Development Canada and Export Development Canada will provide more than \$65 billion in loans and other forms of credit support and enhancement at market rates to businesses with viable business models.

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Who is eligible: All credit-worthy businesses with viable business models whose activities fall within the mandate of either BDC and/or EDC are eligible to benefit from BCAP.

More details: www.canada.ca/en/departement-finance/programmes/secteur-financier-politique/affaires-credit-disponibilite-programme.html

How to apply: Contact your financial institution.

Canada Emergency Business Account

Overview: As part of the BCAP (noted above), Canada has announced the Canada Emergency Business Account. It is an interest-free loan of \$40,000 for qualifying businesses. Up to \$10,000 of that amount will be eligible for complete forgiveness if \$30,000 is fully repaid on or before December 31, 2022.

Who is eligible: Businesses and not-for-profits are eligible to apply for this loan if they have an annual payroll of between \$50,000 and \$1 million.

More details: www.canada.ca/en/departement-finance/economic-response-plan.html

How to apply: Contact your financial institution.

Canada's Deferral of GST Remittance and Customs Duty Payments

Overview: Businesses, including self-employed individuals, can defer until June 30, 2020 their remittances of the Goods and Services Tax (GST), as well as customs duties owing on their imports. The deferral will apply to GST/HST remittances for the February, March and April 2020 reporting periods for monthly filers; the January 1, 2020 through March 31, 2020 reporting period for quarterly filers; and for annual filers, the amounts collected and owing for their previous fiscal year and instalments of GST/HST in respect of the filer's current fiscal year. For GST and customs duty payments for imported goods, deferral will include amounts owing for March, April and May.

Who is eligible: Business who must remit GST and Customs Duties. Note that GST/HST rebates that are late filed may be considered for processing. They will be reviewed on a case by case basis when operations resume.

More details: www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-gst-hst.html

How to apply: New deadlines apply automatically

For more information on APAS's work on issues related to the COVID-19 crisis, visit our website at apas.ca.