

Canada's COVID-19 Economic Response Plan

On March 18, 2020, the Government of Canada announced an economic stimulus package in order to help minimize the impacts of the COVID-19 pandemic. Leading up to this announcement, the government had announced other initiatives as well in order to protect Canadians from the health and economic impacts from the rapid spread of this global crisis.

The economic stimulus package introduced will provide up to \$27 billion in direct support to Canadian workers and businesses.

TAX MEASURES INTRODUCED

- Individuals will have until June 1, 2020 to file their 2019 personal tax returns.
- Trusts having a taxation year ending December 31, 2019 will have until May 1, 2020 to file their 2019 tax return.
- At this time, there have been no proposals to defer upcoming corporate tax filing due dates.
- All taxpayers (individuals, trusts and corporations) are permitted to defer until September 1, 2020, any tax payments that become owing on or after March 18, 2020 and before September 1, 2020. During this time no interest or penalties will apply on the applicable amounts permitted to be deferred.

TEMPORARY INCOME SUPPORT FOR WORKERS AND PARENTS

- Waiving the one-week waiting period for individuals in imposed quarantine who claim Employment Insurance (EI) sickness benefits.
- Waiving the requirement to provide a medical certificate to access EI sickness benefits.

- Introduction of the Emergency Care Benefit, which can provide up to \$900 bi-weekly for up to 15 weeks to provide income support to:
 - Workers, including those self-employed, who are quarantined or sick with COVID-19 but do not qualify for EI sickness benefits.
 - Workers, including those self-employed, who are taking care of a family member who is sick with COVID-19, but do not qualify for EI sickness benefits.
 - Parents with children who require care or supervision due to school or daycare closures, and are unable to earn employment income, irrespective of whether they qualify for EI or not.

LONGER-TERM INCOME SUPPORT FOR WORKERS

- Introduction of an Emergency Support Benefit to provide up to \$5.0 billion in support to workers who are not eligible for EI and who are facing unemployment.
- Implementation of the EI Work Sharing Program that will provide EI benefits to those who agree to a reduction to their normal working hours as a result of circumstances beyond their employer's control.

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INCOME SUPPORT

- Doubling the Goods and Services Tax Credit for the 2019–2020 benefit year. It is expected this measure will provide close to an additional \$400 to eligible individuals and an additional \$600 for eligible couples.
- Increasing the Canada Child Benefit for the 2019–2020 benefit year by \$300 per child. Families eligible for this benefit will receive an additional \$550 on average.

HELPING BUSINESS KEEP THEIR WORKERS

- A proposal 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 of \$1,375 per employee and \$25,000 per employer. Employers benefiting from this measure will include corporations eligible for the small business deduction along with non-profit organizations and charities.

ENSURING BUSINESSES HAVE ACCESS TO CREDIT

- An additional \$10 billion of credit support that will be largely targeted to small and medium-sized businesses.

In addition to the above measures the government is also proposing relief noted below:

- Providing \$305 million for a new distinctions-based Indigenous Community Support fund to address immediate needs in First Nations, Inuit and Métis Nation communities.
- A six-month interest-free deferral on the repayment of Canada Student loans for all individuals currently in the process of repaying these loans.
- Providing increased flexibility for homeowners facing financial difficulties to defer mortgage payments on homeowner CMHC-insured mortgage loans.
- Reducing the minimum withdrawal requirements from Registered Retirement Income Funds (RRIFs) by 25% for 2020.
- Providing the “Reaching Home” initiative with \$157.5 million to continue to support people experiencing homelessness during these difficult times.
- Supporting women and children fleeing violence by providing up to \$50 million to women’s shelters. This includes funding for facilities in Indigenous communities.

For additional details, please contact your SLF advisor or call us at 416.785.5353

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