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FEDERAL MEASURES UPDATE – APRIL 9, 2020

The following table provides a summary of the announced COVID-19 Federal economic stimulus measures for businesses and individuals as of April 9, 2020. Please note that the information surrounding these measures is evolving daily and there remains significant uncertainty as to how and when supporting funds will ultimately flow to Canadian businesses and individuals. We will update our communication to you on a regular basis as new or more substantive details become known.

MEASURES FOR BUSINESS

Announced measure	Description	Criteria / Further Details
Canada Emergency Wage Subsidy (CEWS) - 75% Wage Subsidy	<p>Up to 75% wage subsidy for qualifying businesses, for up to 12 weeks, retroactive to March 15, 2020.</p> <p>Maximum subsidy is \$847/week per employee based on pre-crisis remuneration (i.e. 75% of first \$58,700 of pre-crisis salary).</p> <p>Firms are encouraged to pay the 25% top-up to employees if they can afford it, however, there is no requirement to do so (i.e. Firms may reduce wages by 25% during the crisis period and receive the subsidy for the remaining 75%, subject to the per employee maximum).</p> <p>Firms of all size are eligible including corporations, partnerships and non-profits.</p> <p>Owner salaries are eligible for subsidy, provided they were employed on March 14, 2020.</p> <p>25% penalty (plus full repayment) to apply where “artificial transactions” are undertaken to reduce revenues.</p>	<p>Firms that have suffered significant revenue loss due to COVID-19 in March, April and May 2020 (compared to either the same months in 2019 or the average revenue in January and February of 2020).</p> <p>Minimum revenue decrease required to qualify: March 2020: 15% April 2020: 30% May 2020: 30%</p> <p>Employer’s revenue should include all arm’s length revenue earned in Canada, excluding extraordinary items.</p> <p>Firms may use either the cash method or accrual method for calculating revenues, but method must be consistent during duration of program.</p> <p>Application for subsidy will be through CRA My Business Account service in April 2020. Businesses will need to apply each month for the subsidy.</p> <p>Subsidy is taxable to employer.</p>

Announced measure	Description	Criteria / Further Details
10% Wage Subsidy for Eligible Small Employers	<p>Wage subsidy of 10% of employee wages paid from March 18 to June 19, 2020.</p> <p>Maximum subsidy is \$1,375 per employee and \$25,000 per employer.</p> <p>Any amounts claimed under 10% subsidy must be deducted from a 75% subsidy claim.</p> <p>Subsidy is taxable to employer.</p> <p>No requirement that revenue or business activity has declined.</p>	<p>Eligible employers must have more than one employee and include corporations eligible to claim the small business deduction, non-profit organizations and certain partnerships.</p> <p>Associated corporations are not required to share the maximum subsidy.</p> <p>May be claimed through reduction in payroll tax remittances (income taxes, not CPP/EI).</p>
Extension of deadlines for income tax filings and income tax payments	<p>Corporate income tax return filing deadline extended to June 1, 2020 for any returns otherwise due between March 18 and May 31.</p> <p>Deadline to make corporate tax payments and instalments under Part I of the Income Tax Act extended to September 1, 2020 for any taxes otherwise due between March 18 and August 31.</p> <p>Extensions do not apply to payroll tax or income taxes under Part IV or Part XIII.</p>	<p>As per existing requirements under the Income Tax Act.</p> <p>Province of Alberta has announced identical extension on provincial corporate tax filing and payment deadlines.</p>
Deferral of GST/HST Payments and Import/Export Duties	<p>Businesses (including self-employed individuals) can defer payments and instalments of GST/HST and import/export duties until June 30, 2020 for any amounts otherwise payable on or after March 27, 2020.</p> <p>GST/HST deferral applies to businesses that file GST returns monthly, quarterly or annually.</p>	<p>Despite the deferral of GST/HST payments, it appears that the filing deadlines for GST returns have not changed.</p> <p>For customs duty payments, deferral will include amounts for March, April and May.</p> <p>Businesses in need of information about their customs duty payment obligations may contact the Canada Border Services Agency.</p>

Announced measure	Description	Criteria / Further Details
Extension of filing deadlines for partnerships, trusts and non-resident payment reporting	Deadlines for filing December 31, 2019 T5013 partnership returns, T3 trust returns and NR4 returns have been extended to May 1, 2020.	As per existing requirements under the Income Tax Act.
Farm Credit Canada (FCC) lending	FCC has received an enhancement to its capital base that will allow for an additional \$5 billion in lending capacity.	Customers may contact their FCC relationship manager or the FCC Customer Service Centre (1-888-332-3301).
Canada Emergency Business Account (CEBA)	Provides interest-free loans of \$40,000 to small businesses and not-for-profits to help cover operating costs. 25% of the loan (\$10,000) will be forgiven if \$30,000 is repaid on or before December 31, 2022. Loan can be repaid at any time without penalty.	Organizations qualify if they paid between \$50,000 and \$1 million in total payroll in 2019 Businesses wishing to apply for CEBA funding may do so through an online application with their financial institution. Online applications are active as of April 9.
Business Credit Availability Program (BCAP) - Loan Guarantees and Co-Lending Program for Small and Medium-Sized Enterprises	EDC and BDC are working with financial institutions to issue new operating credit and cash flow term loans of up to \$6.25 million to SMEs.	For more information, refer to EDC's website (https://edc.ca) and BDC's website (https://www.bdc.ca)
Canada Summer Jobs Program – Enhancements	Up to 100% wage subsidy for youth employed through the Canada Summer Jobs Program. Subsidy amount is up to 100% of the relevant provincial minimum hourly wage. Job placements covered by the program may begin as early as May 11, 2020 and end as late as February 28, 2021.	Available to all non-profit and public sector organizations as well as private sector organizations with 50 or fewer full-time employees. All youth aged 15 to 30 are eligible employees for this program, regardless of whether they are actually students. Youth can be hired for full-time or part-time positions.

MEASURES FOR INDIVIDUALS

Announced measure	Description	Criteria / Further Details
Canada Emergency Response Benefit (CERB)	<p>Taxable benefit of \$2,000 per 4-week period for up to 16 weeks for workers.</p> <p>Available to workers (including wage earners and self-employed individuals) who stop working due to COVID-19 and do NOT have access to paid leave or other income support such as Employment Insurance.</p> <p>Includes workers who: a) are sick, quarantined, or taking care of someone who is sick with COVID-19; b) must stay home to care for children that are sick or need additional care because of school and daycare closures; and c) still have their employment but are not being paid because there is currently insufficient work.</p>	<p>Program is effective from March 15, 2020 to October 3, 2020.</p> <p>Individual must be a Canadian resident, at least 15 years old and have earned a minimum of \$5,000 of income in the last 12 months from employment, self-employment or maternity/paternity benefits.</p> <p>Individual must be out of work for 14 consecutive days in any 4-week period due to COVID-19 crisis.</p> <p>Applications for CERB may be done online through the CRA My Account service or over the phone starting April 6, 2020.</p> <p>Individuals must re-apply for each 4-week period. Deadline to apply for program is December 2, 2020.</p>
Extension of deadlines for income tax filings and income tax payments	<p>Deadline for filing 2019 personal income tax returns extended to June 1, 2020 (June 15, 2020 for self-employed individuals).</p> <p>Deadline to make personal tax payments and instalments extended to September 1, 2020 for any taxes otherwise due between March 18 and August 31.</p>	As per existing requirements under the Income Tax Act.
Extension of Work-Sharing program (ESDC)	<p>Maximum duration of the Work-Sharing program extended to 76 weeks.</p> <p>Provides income support to EI-eligible employees who work reduced hours (at least 10% less) while employer recovers from drop in business activity.</p>	<p>For further information, please refer to:</p> <p>https://www.canada.ca/en/employment-social-development/services/work-sharing.html</p>

Announced measure	Description	Criteria / Further Details
Improved access to Employment Insurance sickness benefits	<p>Waives requirement to provide medical certificate to access EI sickness benefits if sick, quarantined or directed to self-isolate.</p> <p>Waives, for a minimum of six months, the mandatory one-week waiting period for EI sickness benefits for workers in imposed quarantine or who have been directed to self-isolate.</p>	<p>Effective March 15, 2020</p> <p>For further information, please refer to:</p> <p>https://www.canada.ca/en/services/benefits/ei/ei-sickness/apply.html</p>
Enhanced GST credit and Canada Child Benefit	One-time special GST credit payment (up to \$400 for single person and \$600 for couple) and one-time special child benefit payment of \$300 per child.	<p>Based on family structure and income level.</p> <p>Payments will be issued starting April 9, 2020.</p>
Reduced RRIF withdrawal requirement	Minimum withdrawal from Registered Retirement Income Funds reduced by 25% for 2020.	Based on beginning value of RRIF on January 1, 2020.