

COVID
BENEFITS
FOR
BUSINESS &
INDIVIDUALS



AGENDA

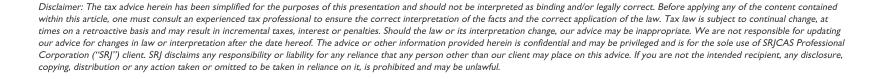
- Canada Emergency Wage Subsidy (CEWS)
- 2 Temporary Wage Subsidy (TWS)
- **3** Other Measures for Business

Disclaimer: The tax advice herein has been simplified for the purposes of this presentation and should not be interpreted as binding and/or legally correct. Before applying any of the content contained within this article, one must consult an experienced tax professional to ensure the correct interpretation of the facts and the correct application of the law. Tax law is subject to continual change, at times on a retroactive basis and may result in incremental taxes, interest or penalties. Should the law or its interpretation change, our advice may be inappropriate. We are not responsible for updating our advice for changes in law or interpretation after the date hereof. The advice or other information provided herein is confidential and may be privileged and is for the sole use of SRJCAS Professional Corporation ("SRJ") client. SRJ disclaims any responsibility or liability for any reliance that any person other than our client may place on this advice. If you are not the intended recipient, any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it, is prohibited and may be unlawful.



AGENDA

- 4 Canada Emergency Response Benefit (CERB)
- **5** Tax Opportunities
- 6 Q&A





CANADA EMERGENCY WAGE SUBSIDY (CEWS)

What is it?

- 75% wage subsidy available to eligible employers for up to 12 weeks
- Any benefit received will be taxable for your business

Who is eligible?

The employer needs to have experienced a revenue drop of at least 30% over the eligible periods in revenue from arms length sources (see reference period below).

	Claiming Period	Reference Period for Eligibility
Period 1	March 15 - April 11	March 2020 over March 2019
Period 2	April 12 - May 9	April 2020 over April 2019
Period 3	May 10 - June 6	May 2020 over may 2019

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CANADA EMERGENCY WAGE SUBSIDY (CEWS)

How is it calculated?

- The subsidy is equal to the greater of:
 - 75% of remuneration paid to an employee, to a weekly maximum of \$847, or
 - 75% of weekly remuneration paid to an employee pre-crisis, up to the same maximum

Non Arm's Length Employees

- Generally considered business owners or persons that are related to the business owners
- Subsidy amount will be limited to actual eligible remuneration between March 15 and June 6, 2020

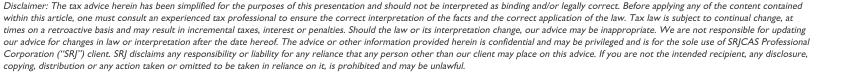
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CANADA EMERGENCY WAGE SUBSIDY (CEWS)

How do you apply?

- Through CRA's My Business Account
- Go online to CRA website to begin process immediately if you qualify
- First payments expected in May
- Monthly application





TEMPORARY WAGE SUBSIDY (TWS)

What is it?

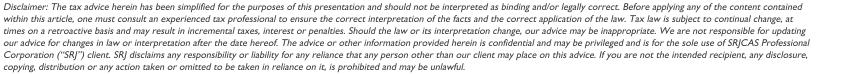
- Three month subsidy to allow eligible employers to reduce amount of payroll deductions
- Any benefit received will be taxable for your business

Who is eligible?

An eligible employer includes an individual, partnership, non-profit organization, registered charity or Canadian-Controlled Private Corporation.

How is it calculated?

- The subsidy is equal to 10% of remuneration that you pay from March 18, 2020 to June 19, 2020 up to \$1,375 for each eligible employee
- Business can receive up to a maximum of \$25,000





TEMPORARY WAGE SUBSIDY (TWS)

How do you apply?

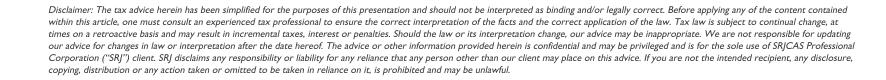
- Calculated manually by whoever completes payroll remittances
- Payroll providers (ADP, Payment Evolution, Quickbooks) will have this calculation built into their systems
- Once subsidy amount is calculated reduce current payroll remittance of federal, provincial or territorial income tax that you send to the CRA by the amount of the subsidy
- Cannot reduce CPP or El remittances by the subsidy



CANADA EMERGENCY BUSINESS ACCOUNT

What is it?

- \$40,000 interest free loans to small businesses
- If repaid by December 31, 2022, up-to 25% (i.e. up-to \$10,000) will be forgiven
- After December 31, 2022 the loans will convert to interest bearing loans
- Obtain more information through your financial institution and directly apply through the bank





TAX FILING AND INSTALMENT DEADLINES

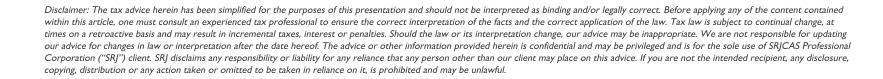
NEW TAX DEADLINES FOR PAYMENTS AND INSTALMENTS

CORPORATE TAX

Defer tax payments that become payable between March 18, 2020 and September 2020 until after August 31, 2020 without interest or late payment penalties

GST/HST PAYMENTS

- Defer all GST/HST payments until June 30, 2020 depending on your filing period:
 - February, March and April remittances for monthly filers
 - January March reporting period for quarterly filers
 - 2019 amounts payable for annual filers





PROVINCIAL MEASURES - ONTARIO

- Employer Health Tax (EHT)
 - Exemption is increasing from \$490,000 to \$1,000,000 for the 2020 tax year
- Workplace Safety and Insurance Board (WSIB)
 - Defer premium reporting and payments until August 31, 2020



COVID-19 & MEASURES FOR INDIVIDUALS

CANADA EMERGENCY RESPONSE BENEFIT (CERB)

How is it calulated?

- Income support for those who have lost income due to COVID-19
- Any benefit received will be taxable for you personally
- Available from March 15, 2020 to October 3, 2020

Who is eligible?

- If you have been let go or had your hours reduced to zero due to COVID 19;
- If you are in quarantine or sick due to COVID 19;
- If you are taking care of someone who is in quarantine or sick due to COVID 19; or
- If you are taking care of children/dependants because their ordinary care is closed due to COVID 19.
- You had employment income or self-employment income of at least \$5,000 in 2019 or in the 12 months prior to the date of application.
- You are expecting to be without employment or self-employment income for at least 14 consecutive days in the initial four-week block. For any future four-week block, you have to be without employment or self-employment income for the whole block.



COVID-19 & MEASURES FOR INDIVIDUALS

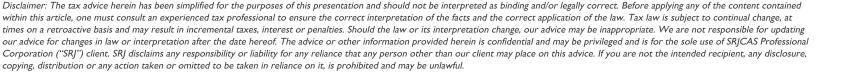
CANADA EMERGENCY RESPONSE BENEFIT (CERB)

How is it calculated?

- Paid in blocks of four weeks up to \$2,000 per month as a single payment for a four week period
- Re-apply every four weeks
- Benefit available from March 15, 2020 to October 3, 2020
- Any El claims made during this period will also be processed through CERB

How do you apply?

Applications open April 6 online through CRA My Account or over the phone





COVID-19 & OTHER MEASURES FOR INDIVIDUALS

OTHER MEASURES ANNOUNCED FOR INDIVIDUALS & FAMILIES

- An extra \$300 per child through Canada Child Benefit (CCB)
 - Received by parents currently receiving the CCB as part of May payment
- Increase to April GST payment received quarterly by eligible individuals and families
 - Will see increase amount on April benefit
- Personal Tax Filing Extension
 - Deadline to file personal taxes extended to June 1, 2020 from April 30, 2020
- Personal Tax PAYMENTS Extension
 - Income Tax balances due, or instalments payable, will be deferred to August 31, 2020 without interest or penalties
- Loan Deferrals
 - Mortgage payment deferrals for six months
 - NO OSAP payments required for six months starting March 2020 without interest accruing
- Ontario \$200 Payment per Child
 - Providing one-time payment of \$200. Details to be announced





THANK YOU!

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