COVID BENEFITS FOR BUSINESS & INDIVIDUALS
AGENDA

1. Canada Emergency Wage Subsidy (CEWS)
2. Temporary Wage Subsidy (TWS)
3. Other Measures for Business

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4  Canada Emergency Response Benefit (CERB)

5  Tax Opportunities

6  Q & A

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# COVID-19 & MEASURES FOR BUSINESS

## 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).

<table>
<thead>
<tr>
<th>Period 1</th>
<th>Claiming Period</th>
<th>Reference Period for Eligibility</th>
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<tbody>
<tr>
<td></td>
<td>March 15 - April 11</td>
<td>March 2020 over March 2019</td>
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<tr>
<td>Period 2</td>
<td>April 12 - May 9</td>
<td>April 2020 over April 2019</td>
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<tr>
<td>Period 3</td>
<td>May 10 - June 6</td>
<td>May 2020 over May 2019</td>
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**COVID-19 & MEASURES FOR BUSINESS**

**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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COVID-19 & MEASURES FOR BUSINESS

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

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COVID-19 & MEASURES FOR BUSINESS

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

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COVID-19 & MEASURES FOR BUSINESS

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 EI remittances by the subsidy

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COVID-19 & OTHER MEASURES FOR BUSINESS

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

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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

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COVID-19 & OTHER MEASURES FOR BUSINESS

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

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COVID-19 & MEASURES FOR INDIVIDUALS

CANADA EMERGENCY RESPONSE BENEFIT (CERB)

- **How is it calculated?**
  - 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 EI 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

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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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