

COVID-19 FINANCIAL ASSISTANCE GUIDE

September 15, 2020

These are extraordinary and unsettling times. COVID-19 is causing significant disruptions to our clients, our partners, and the many communities we serve. To help you, we have assembled selected resources to consult in assessing how to respond to this crisis. Please feel free to ask us at any time about how to access these packages.

Assistance for Businesses

Maintaining Cash Flow through the Crisis

Cash flow your business' lifeblood. We recommend that you take advantage of any assistance for which you qualify, to sustain yourself while the economy re-balances.

The Canada Emergency Wage Subsidy (CEWS) – 75%

<https://www.canada.ca/en/department-finance/news/2020/04/the-canada-emergency-wage-subsidy.html>

What is available?

For periods covering 1 to 4

A retroactive subsidy in the amount of (the greater of):

- 75% of the remuneration, up to a maximum benefit of \$847/employee per week; or
- the amount of remuneration paid, up to a maximum benefit of \$847 per week or 75% of the employee's pre-crisis weekly remuneration, whichever is less

On wages paid for any 12-week period starting after March 15, 2020 to July 14, 2020.

For periods covering 5 to 9

A subsidy in the amount of (the greater of):

- 75% of the remuneration, up to a maximum benefit of \$847/employee per week; or

- the amount of remuneration paid, up to a maximum benefit of \$1,129 per week or a percentage of the employee’s baseline remuneration based on the decline of the employers revenue, whichever is less
- The rate depends on the actual decline in revenue – the higher the decline, the higher the rate. Where the decline is 50% or more, the base subsidy rate is capped at 60% for periods 5 and 6, 50% for period 7, 40% for period 8, and 20% for period 9.

Who qualifies?

Businesses who have seen a decline in revenues as prescribed by the table below can apply for “CEWS”.

	Claim periods	Required reduction in revenue	Reference periods for comparison under the general approach	Reference periods for comparison under the alternative approach
Period 1	March 15 to April 11, 2020	15%	March 2020 over March 2019	March 2020 over average of January and February 2020
Period 2	April 12 to May 9, 2020	30%	April 2020 over April 2019	April 2020 over average of January and February 2020
Period 3	May 10 to June 6, 2020	30%	May 2020 over May 2019	May 2020 over average of January and February 2020
Period 4	June 7 to July 4, 2020	30%	June 2020 over June 2019	June 2020 over average of January and February 2020
Period 5	July 5 to August 1, 2020	Greater than 0%	July 2020 over July 2019 or June 2020 over June 2019	July 2020 or June 2020 over average of January and February 2020
Period 6	August 2 to August 29, 2020	Greater than 0%	August 2020 over August 2019 or July	August 2020 or July 2020 over average of

			2020 over July 2019	January and February 2020
Period 7	August 30 to September 26, 2020	Greater than 0%	September 2020 over September 2019 or August 2020 over August 2019	September 2020 or August over average of January and February 2020
Period 8	September 27 to October 24, 2020	Greater than 0%	October 2020 over October 2019 or September 2020 over September 2019	October 2020 or September 2020 over average of January and February 2020
Period 9	October 25 to November 21, 2020	Greater than 0%	November 2020 over November 2019 or October 2020 over October 2019	October 2020 or September 2020 over average of January and February 2020

Where an employer has used the general approach for periods 1 to 4, they may elect to use the alternative approach for periods 5 to 9 (or vice versa). However, once an approach is selected, the employer must use the same approach for all of periods 5 to 9.

Non-arm's length employees can receive the lesser of \$847/week or 75% of their pre-crisis remuneration, therefore must actually have been paid before the crisis in order to qualify for the subsidy in periods 1 to 4. For period 5 and onward, non-arm's length employees can receive the lesser of \$1,129/week or percentage of baseline remuneration based on the actual decline of employer's revenue. The base subsidy rate is capped at 60% for periods 5 and 6, 50% for period 7, 40% for period 8, and 20% for period 9.

Charities may exclude government assistance from their calculation of lost revenue.

The government will cover 100% of the wages for students in the Summer Jobs Program.

How to apply?

Applications are made through the CRA My Business Account Portal. (Speak with us, to learn how to access this if you did not do so already)

Temporary Wage Subsidy – 10%

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

What is available?

A retroactive subsidy in the amount of 10% of the remuneration paid to employees between March 15, 2020 and June 19, 2020, to a maximum of:

- \$1,375/employee
- \$25,000/business

Who qualifies?

Eligible employers who are: an individual, non-profit organizations, charities, Canadian Controlled Private Corporations, and partnerships whose members are in one of the preceding categories; AND, who had a payroll account as of March 18, 2020, and pay remuneration to an employee based in Canada; AND, who do not qualify for the Canada Emergency Wage Subsidy (75%).

Non-arm's length employees must actually have been paid within the Mar 18 – June 19 timeframe in order to qualify for the subsidy.

How to apply?

Qualified employers must apply online through the employer's CRA business account or by an authorize representative. Please contact us if you would like help calculating the amounts of your payroll tax reductions.

The Canada Emergency Commercial Rent Assistance (CECRA)

<https://www.cmhc-schl.gc.ca/en/finance-and-investing/covid19-cecra-small-business>

What is available?

The program provides forgivable loans to qualifying commercial landlords covering 50% of the rents due from tenants in April, May, June, July, August and September with further extensions being possible.

Who is eligible?

Commercial landlords with qualifying small business tenants.

Small business tenants are those paying less than \$50,000/month in rent and who either have ceased operations due to COVID, or have experienced at least a 70% drop in pre-COVID revenues.

The loans are contingent on the landlords reducing the rent of small business tenants by at least 75% with a commitment not to evict during this same period.

All applications must have been completed by August 31, 2020 to be eligible to participate in this program. However, CMHC may reopen the program for new applications at a later date.

How to Apply?

An application for the loan or the extension for July, August and September can be made on CMHC's website by creating an account or logging on to your CMHC account and checking off the opt-in function.

Canada Emergency Response Benefit (CERB)

The banks are offering several options for clients with short-term cash flow issues. The government of Canada has committed to offer this loan until October 31, 2020.

What is available?

An interest free loan of up to \$40,000. 25% of the loan can be forgiven. The remainder must be repaid by December 31, 2022.

Who is eligible?

Businesses in existence before March 1, 2020, with payrolls of between \$20,000 and \$1,500,000 in 2019.

Or

Businesses in existence before March 1, 2020 with total employment income paid to employees of \$20,000 or less and 2020 Eligible Non-Deferrable Expenses greater than \$40,000 and less than \$1,500,000.

How to apply?

This program is being delivered by the banks, via online applications. Please contact your banker for direction to their online application.

BDC – COVID-19 Working Capital Financing

What is available?

Loan Amount: Up to \$2,000,000; Repayment: 12 months interest only followed by 60-month amortization schedule; Security: Personal guarantee & General Security Agreement and/or potential real estate charge;

Who is eligible?

Exclusions: BDC's regular eligibility criteria still applies (i.e. cannot support pubs/bars/clubs, marijuana companies, non-Canadian companies, start-ups, refinancing of other debt, change of ownership financing).

How to Apply?

Contact the BDC directly: <https://www.bdc.ca/en/pages/special-support.aspx>.

Deferring Tax Payments

- a. Any income tax amount or balances, which came due to the CRA after March 15, 2020, are deferred until after September 30, 2020. This applies to tax balances due, as well as installments.
- b. Any HST tax amounts, which came due to the CRA after March 15, 2020, are deferred until September 30, 2020.
- c. Municipal Property Tax Payments
 - c.i. Businesses on three-installment payment plans, property tax installment due date extended to June 1, 2020 (from April 1, 2020). May 1, 2020 installment due date extended to July 2, 2020.
 - c.ii. Businesses on 11-installment pre-authorized payment plans, each installment due date extended by 60 days.
 - c.iii. Late penalties would be waived for 60 days, starting March 16, 2020.
 - c.iv. Note: as Interim 2020 bills have already been mailed that specify the regular installment due dates, the City will use other means (website, social media, other advertising), to identify this grace period to business owners. Property tax accounts will be adjusted as necessary to reflect these relief measures.

d. City of Toronto

- d.i. Extended its grace period for tax and other City of Toronto payments for businesses (payment and payment penalties) for 60 days starting March 16, 2020 concluding on May 15, 2020.
- d.ii. City of Toronto has kept time of use rates for residential and small business at 12.8 cents/KWH until October 31, 2020.

General Pandemic Preparedness for Business

- This useful guide ([Pandemic Preparedness Guide](#)) was developed by the Canadian Chamber of Commerce and advises businesses on:
 - Business continuity and crisis plans
 - Planning for the impact on your business
 - Planning for the impact on your people
- It includes tools, templates, and best practices to consider

Assistance for Individuals

https://www.canada.ca/en/department-finance/economic-response-plan/covid19-individuals.html#unable_work_new_canada_emergency_response_benefit

To Apply: <https://www.canada.ca/en/services/benefits/ei/cerb-application.html>

1. Canada Emergency Response Benefit (CERB): For those who have lost their job due to COVID-19 and do not qualify for EI, the government will give a payment of \$2,000/month for four months. Accessible starting early April. Apply through an automated telephone line or a secure web portal. Must reapply every four weeks.
2. Increasing the Canada Child Benefit
 - a. Extra 300 per Child for 2019-20. This will mean approximately \$550 more for the average family.

- b. ONTARIO: One-time payment of \$200 per child, up to 12 years of age, and \$250 for those with special needs.

3. Special Goods and Services Tax credit payment
 - a. One-time special payment by early May through the Goods and Services Tax Credit (low-and modest-income families). Additional benefit will be close to \$400 for single and \$600 for couples.

4. Extra time to file income tax returns
 - a. For individuals (other than trusts) the due date is June 1, 2020. Any balances due, or instalments, are deferred after August 31, 2020 (No interest or penalties)

5. Mortgage support
 - a. Canadian banks will help find solutions for individuals case by case and defer mortgage payments. *Contact your financial institution.

6. Support for seniors
 - a. Reducing the minimum withdrawals from Registered Retirement Income Funds by 25% for 2020.
 - b. ONTARIO: Proposing to double the Guaranteed Annual Income System payment for low-income seniors for six months.

7. Support for students and recent graduates
 - a. Effective March 30, a six-month interest-free moratorium on the repayment of Canada Student Loans for all. No payment required and interest will not accrue during this time.
 - b. ONTARIO: Six months of OSAP loan and interest accrual relief for students.
 - c. We are providing a taxable benefit of \$1,250 every 4 weeks to eligible students or \$2,000 to eligible students with dependents or with disability who are not eligible for the Canada Emergency Response Benefit or Employment Insurance or unable to work due to COVID-19. This benefit is available from May to August 2020.

8. Support for Electricity bills (ONTARIO): Expanding eligibility for the low-income Energy Assistant Program and ensuring that electricity and natural gas services are not disconnected for nonpayment.