

# COVID-19 FINANCIAL ASSISTANCE GUIDE

April 2, 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' life blood. 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 – 75%**

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

#### **What is available?**

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.

#### **Who qualifies?**

Businesses who have seen a decline in revenues of 30%, over the same period last year. (\* Detailed periods of eligibility are specified)

Non-arm's length employees must actually have been paid within the Mar 15 – June 6 timeframe in order to qualify for the subsidy.

### How to apply?

Applications are made through the CRA My Account Portal. (Speak with us, to learn how to access this if you do 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 18, 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 15 – June 6 timeframe in order to qualify for the subsidy.

### How to apply?

There is no application. Qualified employers may immediately begin reducing their payroll remittances for payroll periods which end between March 18, 2020 and June 19, 2020, by the appropriate amounts for each employee, until the maximum thresholds are reached. Please contact us if you would like help calculating the amounts of your payroll tax reductions.

## **Interest-free Bank Loans**

The banks are offering several options for clients with short term cash flow issues.

### 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 by March 1, 2020, with payrolls of over \$50,000.

### 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 [Relief 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 (ie. 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 August 31, 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 June 30, 2020

- c. For the next four weeks, the CRA won't contact any SME businesses to initiate post assessment GST/HST or Income Tax audits.
- d. Municipal Property Tax Payments
  - i. Businesses on three-installment payment plans, property tax installment due date extended to May 1, 2020 (from April 1, 2020). May 1, 2020 installment due date extended to June 1, 2020.
  - ii. Businesses on 11-installment pre-authorized payment plans, each installment due date extended by 30 days.
  - iii. Late penalties would be waived for 30 days, starting March 16, 2020.
  - 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.
- e. **City of Toronto**
  - i. Extending a grace period for tax and other City of Toronto payments for businesses (payment and payment penalties) first for 30 days starting March 16.
  - ii. Utility Bills: the City of Toronto is prepared to extend the due date for all utility bills issued to businesses by an additional 30 days, to give customers an additional 30 days to make payment to take advantage of the early payment discount.

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

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