

March 24, 2020

HIGHLIGHTS OF THE FEDERAL & BC GOVERNMENT'S COVID-19 ECONOMIC RESPONSE PLAN

PERSONAL PROVISIONS

Personal Taxes

1. Filing deadline - extended to June 1, 2020.
2. Payment deadline - extended to August 31, 2020. No interest or penalties will accumulate on amounts owing during this period.
3. Self-employed individuals - the filing deadline has not changed. It remains June 15, 2020, but the payment deadline extended to August 31, 2020.
4. Reminder that all credits (CCB, GST, etc.) are based on prior year's taxes so delaying filing could delay your credits and payments.

Temporary Income Support for Workers and Parents

For Canadians without paid sick leave who are sick, quarantined or forced to stay home to care for children.

1. Waiving the one-week waiting period to claim EI sickness benefits.
2. Up to \$900/bi-weekly for 15 weeks.
3. Also available to parents with children who require care or supervision due to school closures, and are unable to earn employment income, irrespective of whether they qualify for EI or not.
4. Available to workers and the self-employed who are quarantined or sick with COVID-19 or taking care of a family member who is sick with COVID-19.
5. You can apply online with an attestation form and no medical note required.
6. Available early April through CRA My Account portal.

Longer-term Income Support for Workers

For workers who lose their jobs or face reduced hours.

1. For workers who are not eligible for EI and are facing unemployment.
2. Provides EI benefits to workers who agree to reduce their normal working hours.

Other Provisions

1. Child Care Benefit - the maximum payment amount will be increased by \$300 per child starting with the May benefit payment.
2. Boost in the GST credit for low income Canadians - a one-time special payment in early May 2020 – up to \$400 for single adults & \$600 for couples.
3. 6 month interest-free moratorium on student loans.
4. Mortgage Protection Program – the Canada Mortgage and Housing Corporation (CMHC) is offering tools to lenders to assist individuals. These tools include payment deferral, loan re-amortization, and other arrangements.
5. Canada's large banks have confirmed they will support a 6-month mortgage payment deferral. Speak with your Financial Institution directly.
6. Reduction of 25% to the minimum withdrawal on a RRIF for the remainder of 2020. Speak with your investment advisor.

BUSINESS PROVISIONS

Business Taxes

1. The CRA will allow all businesses to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after March 18, 2020 and before September 2020.
2. This relief would apply to tax balances due, as well as instalments, under Part I of the Income Tax Act. This does NOT apply to the provincial portion of tax instalments. No interest or penalties will accumulate on these amounts during this period.
3. There is NO time extension for payroll remittances and GST instalments/payments.

Employer Wage Subsidy for Small Businesses

To provide “eligible small employers” a wage subsidy for 3 months. An eligible small employer is a non-profit organization or a Canadian-controlled private corporation that had an existing payroll account with CRA on March 18, 2020.

1. Starts immediately.
2. The subsidy is 10% of gross wages to a maximum of \$1,375 per employee and a maximum of \$25,000 per employer.
3. Applies to wages paid from March 18, 2020 through June 20, 2020.
4. You can reduce payroll source deductions remitted by the amount of the subsidy. If you have already sent post-dated cheques to CRA you can claim the credit at year end.
5. Contact us if you need help tracking the 10% and the amount to reduce payroll instalments.

Other Provisions

1. Business Credit availability support through the BDC and EDC.

BC PROVISIONS

These provisions were just announced by the BC Government on Monday March 23, 2020 so details are vague.

1. Emergency Benefit for Workers – a one-time \$1,000 tax free benefit for those unable to work due to the crisis. It is expected to be available in May.
2. Deferral, to September 30, 2020, of PST payments and filings.
3. Deferral, to September 30, 2020, of the Employer Health Tax payments.
4. Increase to the Climate Action credit – up to \$218 for an individual and up to \$564 for a family of
4. This increase will be started with the July 2020 payment.
5. BC Student loan payments can be paused until September 30, 2020.