



Information Fact Sheet: COVID-19 Government Support for Employers

During the current COVID-19 Pandemic, a number of Federal, Provincial and Territorial governments have announced programs designed to support employers, with the specific goal of mitigating some of the economic consequences on Canada's small businesses.

As a result of social distancing and other policies, economic activity in Canada has dramatically slowed. This has resulted in financial stress for those businesses that continue to operate.

The government initiatives continue to evolve in real time, and this fact sheet will be updated on regular basis to keep up with the changes.

While this Fact Sheet focusses on the Federal initiatives, the reader is encouraged to check with their provincial, territorial and municipal governments for additional support which may be available

Federal Government

Temporary Wage Subsidy for Employers

What is it? The Temporary Wage Subsidy for Employers is a three-month measure that will allow eligible employers to reduce the amount of payroll deductions required to be remitted to the Canada Revenue Agency (CRA). There was an earlier version of this program that has been replaced.

The subsidy is equal to 10% of the remuneration you pay between March 15, 2020, and June 15, 2020, up to \$1,375 per employee and to a maximum of \$25,000 total per employer.

Who can apply? Eligible employers include non-profit organizations, registered charities, or Canadian-controlled private corporations (CCPC).

How to apply: This subsidy can be calculated to reduce the amount of current remittance of federal, provincial, or territorial income tax that you send to the CRA by the amount of the subsidy.

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





Canada Emergency Wage Subsidy (CEWS)

What is it? The CEWS provides for reimbursement of up to 75% of an employee's wages (maximum \$847/week), for a 12 week period (March 15- June 6). Recently, the Federal Government announced that the program will be extended to the end of August 2020; more details are still forthcoming

Who can apply? Eligible employers which include individuals, public and private taxable corporations, partnerships consisting of eligible employers, registered charities and NPOs, who have experienced a 15% or more year over year decline in revenue (comparing March 2020 to March 2019) or a 30% year over year decline (for April and May)

How to apply: Businesses will be able to apply on-line through the My Business Account CRA portal or as a web-based application, expected to be open by end of April

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

Supplemental Unemployment Benefit Program (SUB)

What is it? Employers can use a Supplemental Unemployment Benefit (SUB) plan to top-up their employees' weekly earnings when they are unemployed due to a temporary stoppage of work. Payments are not considered earnings and are not deducted from EI benefits.

Who can apply? Employers undergoing a temporary stoppage of work due to training, illness, injury or quarantine.

How to apply: SUB plans are registered by Service Canada. Plans must be registered before their effective date. Officers from the SUB program assess employers' SUB plans against the requirements set out in the EI Regulations. SUB program Officers also help employers develop SUB plans that meet the requirements of the EI Regulations.

For More Information: <https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/ei-employers-supplemental-unemployment-benefit.html>

Work-Sharing Program

What is it? Work-Sharing (WS) is a program that helps employers and employees avoid layoffs when there is a temporary decrease in business activity beyond the control of the employer. The program provides EI benefits to eligible employees who agree to reduce their normal working hours and share the available work while their employer recovers. Work-Sharing is an agreement between employers, employees and the Government of Canada.





The Government of Canada has put in place Work-Sharing (WS) temporary special measures for employers affected by the downturn in business due to COVID-19. This includes

Who can apply? Typically used for forestry and steel workers, this program has been extended to all employers from March 15, 2020 to March 14, 2021, and the maximum possible duration of an agreement has been extended from 38 weeks to 76 weeks.

How to apply: Employers must submit an application to a work-sharing agreement and a Work-Sharing Unit Form to the relevant regional Service Canada office. (See more: <https://www.canada.ca/en/employment-social-development/corporate/notices/coronavirus.html#h4.04>)

For more information: <https://www.canada.ca/en/employment-social-development/corporate/notices/coronavirus.html#h4.02>

Business Resources

Support for Financing and Business cash flow

Canadian Emergency Business Account (CEBA)

What is it? The Canadian Emergency Business Account (“CEBA”) is intended to provide interest-free loans up to \$40,000 to small businesses and not-for-profit organizations. Should 75% of the amount be repaid before December 31, 2022, the remaining balance can be forgiven

How to apply? Organizations should contact their financial institution to understand the specific details of how to apply. Application deadline is June 30 2020.

For More Information: <https://ceba-cuec.ca/>

Business Credit Availability Program (BCAP)

What is it? The Business Credit Availability Program (BCAP) is intended to help Canadian businesses obtain financing during the current period of significant uncertainty.

How to apply? Employers seeking support through BCAP should contact the financial institutions with whom they have a pre-existing relationship, so that the financial institutions can assess their case.

For More Information: <https://www.canada.ca/en/department-finance/programs/financial-sector-policy/business-credit-availability-program.html>





Other Programs

Research support – on May 15 2020, the Federal Government announced a new program to add \$450m in new funding to support research in Canada. The link for the announcement is here: <https://pm.gc.ca/en/news/news-releases/2020/05/15/prime-minister-announces-support-research-staff-canada>

This page will be updated as more details are forthcoming.

Flexibility for Businesses Filing Taxes

What is it? The deadline for businesses to pay any income tax amounts that become owing or due after March 18, 2020 and before September 1, 2020 has been extended to September 1, 2020. This means you will not be assessed any penalties or interest if your balance due is paid by September 1, 2020.

For more information: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update.html>

This fact sheet has been prepared for the Canadian Psychological Association

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Your opinion matters! Please contact us with any questions or comments about any of the CPA's Fact Sheets: factsheets@cpa.ca

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